THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

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BETTER OUTLOOK AS MARKET FOR WHEAT GOES UP

Profitable Crop is Highly Essential For Prosperity

THE LABOR PROBLEM

Lower Wages Necessary to Bring Down Transportation and Manufacturing Costs

There are further evidences that the rises in the prices of wheat and other farm products are having their effect upon the business situation. It is the first really constructive development which has been noted in a long period—the first which THE FINANCIAL POST has been able to report in these business articles which have dealt faithfully with the situation, as indicated by reliable reports from many sources. For the time being the effect must be regarded as more or less sentimental, although there are, perhaps, 50,000,000 bushels still in Western Canada. It cannot be expected that there will be a strong forward movement without reactions, but the prospect of higher prices for the coming harvest will encourage the farmers to put in larger acreages than could have been expected if the prospect for another unprofitable crop continued.

The harvesting of a successful crop is of first importance to Canada. What are the federal and various provincial departments of agriculture doing to bring this about?

While the world statistical position of wheat is hardly regarded as justification for the rapidity of the recent advance to around $1.50 per bushel and it is predicted that there may be a reaction after the speculative wave, the fact remains that the buying power of Europe has revived to such an extent and Great Britain has so improved her position in regard to exchange that there has been a marked reduction of the visible supply in the United States and a new movement of Canadian wheat to the South is evidently under way despite the tariff handicaps. Looking to the future, too, it would seem this movement will continue, as the reports from the American winter wheat belt are of a depressing character. The average condition is far below the normal for this season and this applies to an estimated area of about 5,000,000 acres. Serious damage by the green bug is also reported; advices from Oklahoma City indicate that large areas will be abandoned.

A somewhat better tone in business is noted with the strengthening of the markets for agricultural products. While it is not anticipated that there will be any great revival of buying throughout the country until another crop has been harvested, it is recognized that retailers shelves are, for the most part, bare and that any demand will be quickly reflected in orders for wholesalers and manufacturers; this demand is in some cases being anticipated and there is a tendency to prepare with moderate stocks of goods.

The Transportation Problem

The strengthening of the markets for agricultural products has been accompanied by higher prices for other basic products, which is having the effect of bringing manufacturers' and retailers' prices closer together. However, it is evident that there will still have to be further reductions in prices to the consumer to bring about normal consumption. The question of freight rates is an important one in this connection but here, as elsewhere, it is evident that the tendency of labor to stand out for the war-time standards of wages is retarding readjustment.

The passing of resolutions by agricultural interests calling upon Ottawa to reduce freight rates will meet with general sympathy but even a superficial study of the situation brings out certain difficulties which must be considered. In the first place it is more important that freight rates on commodities and raw materials should come down than on certain manufactured lines; the encouragement of production is highly important. Then it is also evident that reductions in freights cannot be made on any very broad scale until there are some further adjustments in the costs of providing such service. Canada is in need of the most efficient kind of railroad service and this cannot be provided on starvation rates; the situation which developed in the United States should be a warning in this connection. Besides, in the case of Canada

Continued on page 8

WESTERN PROVINCES ENTITLED TO RESOURCES

It is to be hoped that the offer made by Premier King in connection with the return of their natural resources to the Western Provinces will lead to a saisfactory settlement of this vexed question.

THE FINANCIAL POST believes that the claims of the Western Provinces are entitled to every consideration. In he issue of May 15, 1920, THE POST pointed out: "There is a point of constitutional right involved; it is not merely a demand upon the Dominion for valuable resources. If Canada is aspiring to nationhood each part should have equal status. The rights and privileges of each province and of the individual citizens of those provinces should be fully safeguarded."

FORT WILLIAM WILL CUT DOWN POLES OF HYDRO

If Erected on City's Streets Without Agreement As to Rates

From Our Own Correspondent

FORT WILLIAM.—The local power situation involving relations between the city and the Hydro Electric Commission in connection with the Nipigon development, has reached a climax as the result of the high handed course being taken by the Hydro and the refusal of the city council to bow to dictation from Toronto. The council declines to continue to deal with Hydro in blind faith—eyes are being opened to the real situation which the city is facing—and the ultimatum to the Commission was in effect that if Hydro poles are erected on the city's streets before a definite understanding as to rates is reached they will be chopped down. The following challenge has been sent to the Commission:

"That, before Fort William will even consider application of the hydro electric power commission for consent to build lines to Consolidated elevator, full details of proposed agreement, estimates of cost and plans of proposed route pursuant to paragraph seven of this city's agreement must be submitted and a uniform price for high tension and all other power definitely fixed and established for Port Arthur, Fort William and vicinity, and notice is hereby given that if an attempt is made to erect any poles or lines in this city without the city's consent, same will be torn down."

This resolution was evoked by a dictatorial telegram from the Hydro Commission, reading as follows:

Consolidated elevator company have accepted hydro contract. Will you take up at once with city council and city engineer matter of hydro building lines on city streets. We want to know if there will be any opposition before we go ahead with construction.

In connection with the situation, Mayor Edmeston explained that, while he was in the East, the government, through the premier and attorney-general, admitted that Fort William was not getting a square deal from the Hydro Commission. "If," he added, "we allow the Hydro to construct lines within the city and to supply power now, we cut the ground from under the feet of the government, in any effort that it may make to relieve the situation. It will give the Hydro, the chance to say that it is now supplying power satisfactorily to the city, within the city limits, by the consent of the city and that the city and the company served are contented."

Alderman Rutledge remarked that the Hydro was asking the city to give the Hydro a rope with which it could hang the city.

Alderman Chapple declared that matters had come to a show-down with the Hydro, and further high-handed action would not be tolerated.

Labor Cannot Force Building Programs

From Our Own Correspondent

WINNIPEG—The Provincial Government is standing firmly by its policy of minimizing capital expenditure for 1922—refusing to be stampeded by the labor element in the legislature who continue to press for an extensive building program.

LINCOLN SAID IT

"Property is the fruit of labor; property is desirable; it is a positive good in the world. That some should be rich shows that others may become rich, and hence is just encouragement to industry and enterprise. Let not him who is hopeless pull down the house of another, but let him build one for himself, thus assuring, by example, that his own shall be safe from violence when built."—Abraham Lincoln.

UNIONS CANNOT RESTRICT WORK OF INDIVIDUAL

Important Decision by the U. S. Department of Justice

THE 48-HOUR WEEK

Demand for a Forty-Four Hour Week Fails — Chicago Courts Decide Against Vicious Practices

Special Correspondence

NEW YORK.—Two very important decisions were recorded last week of particular interest to the business and labor world. As the result of a long enquiry in the building industry by the U. S. Department of Justice, we have a decree, proclaimed as a new Bill of Rights for the home-builder, manufacturer and business man. It brings independence to the employer and to the builder and prohibits the labor unions from restricting the amount of work to be done by an individual. The decision is really very far-reaching. It puts an end to abuses in the building industry and affects the whole United States. Labor chiefs consented to the entry of the decree in the United States Court and agreed on four basic principles which will wipe out vicious practices. The result will be very much to the home-builder's and rent-payer's benefit.

These basic principles are: first, there is to be no limit to the productive capacity of the individual workman within the working day or any other given time; second, there is to be no limit upon the right of the employer to purchase his material wherever and whenever and from whomsoever he may choose, whether these materials be union made or otherwise; third, there is to be no favoritism shown by organized labor towards employers or trade associations or contractors' associations and no discriminations are to be indulged in against the independent employer who may not be a member of such an organization; fourth, the labor organization is not to be used nor permit itself to be used by material men or contractors or sub-contractors as an instrument for the collection of debts or enforcement of the payment of alleged claims. The investigation from which these principles are the outcome led to the indictment and conviction and sending to jail and heavy fining of a large numbers of manufacturers and dealers in building materials.

48 Hour Week Established

The other far-reaching decision, which is somewhat along the lines as the one given by Judge Landis in Chicago, is the result of an arbitration between the pressmen's union and the publishers. The decision is all along the line against the vicious practices that have grown up in the last few years due to the interference of professional agitators between employer and employee. The decision establishes the 48-hour instead of the 44 hour week and wipes out a number of vicious practices under which certain workmen were able to exact higher wages for certain classes of work. Wages are to remain as they are for the present but the elimination of these practices is equivalent to a reduction. Although the unions signed an agreement to abide by the descision the Soviet agitators within their ranks are urging a strike.

It is noted in the case of the building industry and of the printing industry that the older and more experienced men among employers and employees were supporting the decisions that were finally given out.

ARRANGING TREATY WITH AUSTRALIA

From Our Own Correspondent

MONTREAL.—Representatives of Canadian Manufacturers' Association who interviewed the Premier at Ottawa do not appear to look for many tariff changes as a result of the visit of Mr. Fielding to Washington. It is expected, however, that a preferential tariff will be arranged with Australia and that this matter will be sufficiently advanced to be brought up during the coming session. One of the most pressing items that it is hoped will be included is that of paper. At present on newsprint an almost prohibitive duty of $15 a ton is imposed on all except British goods. The general preferential tariff that Great Britain enjoys with Australia extends to a reduction of about one-third the regular tariff.

Reorganize First—Then Finance

Future of Canada Steamship Lines Demands This—Shareholders Should Not be Stampeded

The campaign that has been carried on in these columns urging changes in the board of Canada Steamship Lines, should not necessarily stampede shareholders into sacrificing their stock. Distinction should be drawn between criticism of the policies and the management, and the assets of the transportation system that constitute the assets behind the securities. THE FINANCIAL POST has felt for a long time that these securities have rested under a disadvantage on account of lack of confidence in the management; and that the sooner steps were taken to restore confidence the better for the interests of the shareholders. We waited for a whole year while the company was endeavoring to finance, hoping something really effective would be done, and it was only when it was felt that there was a lack of real appreciation of public sentiment towards the company and that the reorganization planned would be insufficient and only delay the ultimate one, that steps were taken to deal in a public manner with the seriousness of the situation.

A St. Catharines shareholder writes in a strain which may reflect how others feel. He says in part:

"I have been paying particular attention recently to your disclosures re Canada Steamships. Of course, these articles are hurting the stock and causing it to run down in price. You deserve thanks for exposing this matter but would like to see you put it in the hands of the proper authorities and not damage the shareholders, like myself, who are weak financially."

THE FINANCIAL POST never tries to predict the future price of any stock. This whole matter has been approached with the idea of forcing a reorganization which will benefit and not harm the shareholders—we are not much concerned with the speculators. We believe that a proper reorganization will certainly enhance the value of the company's assets. What this value may be to-day is another matter.

As to taking actual action to bring a reorganization, that is not the duty of a financial newspaper. That is the duty of the shareholders to whom it is the function of this paper to supply information. In fact, we understand that steps are being taken towards the formation of a committee of the shareholders to act in their interests.

Those Rumors of "Undue" Profiting

As was pointed out last week it is our firm conviction that before a bond issue can be a success there must be a satisfactory reorganization of the directorate and the management to dispose of "rumors" of "inside" profiting through the sale of vessels and other property. There is a feeling, too, that a revaluation of the properties of the company on a different basis from that which was set forth in the late bond prospectus of the company is a necessity. There have been heavy depreciations in shipping, and for the time being, at least, probably the reaction has gone too far, as has been the case in so many commodities.

We are informed that only a few days ago the Iroquois, which was one of the boats acquired by the company from the Montreal Transportation Company, was sold for $10 a ton, a fraction of former values.

Then the various charges of intermediate dealings as between small companies, in which directors of Steamships are alleged to have been interested, and Canada Steamship Lines must be met. In the case of the "Iver Heath' referred to last week, officials make some defense, although the intervention of the directors in a transaction through which a vessel passed to the company is indefensible. They claim that the price paid for the "Lake Manitoba" was $275,000 instead of $75,000 as reported, with something further for raising and towing. The cost of the work at the shipyards is now

Continued on page 16

C.M.A. Officials Broaden Out

Ex-President Thinks Retailers Should no Longer be Ignored—Wants Eaton Co. Managers on Committee

Jack MacKinnon, late President of the Canadian Manufacturers" Association is a convert to the views of that section of the membership which recognizes the wholesale and retail merchant as a factor in the disposal of the produce of Canadian industry. Some of us think the merchant is the most important element. He certainly can make or break the plans of most manufacturers. But the official group—the battle-scarred veterans of many meetings—who have for years dictated the official utterances of the C. M. A. laid down the policy in 1914-15 that the merchant should be ignored. Mr. Wardleworth, of the National Drug Company, opposing this policy and failing to get satisfaction, went to the expense himself of issuing a letter showing how necessary it was for manufacturers to have retail co-operation. THE POST, which lives in close unity with all phases of Canadian business and opinion, backed him up. As usual THE POST'S arguments were answered with official abuse but the controversy bore good fruit and an increasing number of manufacturers began to, and are to-day, cultivating more intensely than ever the merchant.

Mr. MacKinnon as a representative of the C. M. A. was recently taken through the T. Eaton Co.'s retail store in Toronto. It was apparently a revelation to him—the part retail trade plays in the selling of "Made-in-Canada" goods. It enabled him to understand the arguments for more co-operation made by such men as Mr. Wardleworth and repeatedly quoted in these columns; and as the first step in this direction he advocates the appointment of one of the Eaton managers on every committee of the C. M. A. There is perhaps no organization in Canada which has such an able lot of executives. The presence at committee meetings of such new men with up-to-date experience accustomed to do big things on broad lines is something the association urgently needs.

But Mr. MacKinnon overlooked a very important factor. The Eaton Co., though the greatest, is only one of tens of thousands of retailers in Canada. Moreover, its bigness, its aggressiveness, its close buying and selling, make it the most feared competitor of all these other retailers. It is also one of the leading manufacturers in Canada. Members of the Association could not afford to offend and estrange those thousands of other retailers. The scheme is impossible as Mr. MacKinnon would find if he made a tour of his own customers in millinery and dry goods.

But Mr. McKinnon is developing on the right lines—the lines of THE POST'S constructive suggestions to the C. M. A., which called for no more ignoring of the retailers—or attacking them as did a former President when he pointed them out as being the cause of high prices. As Mr. MacKinnon is going about more, getting a broader grasp of problems confronting the Association, may we suggest his investigation of these? Mr. MacKinnon must have noticed the insistent demand from manufacturers, merchants and consumers that "Made-in-Canada" on an article should be a guarantee of quality and service. It has been coming out more and more lately at nearly all important business meetings. It comes out in the Dominion Trade Reports from our Commercial Agents abroad. Yet in 1915 the small group who make the policies of the Association went officially on record as endorsing the minority who deliver products and services of inferior quality to the detriment of the great mass of members whose quality and service are equal to and often superior to any produced elsewhere. We called this a pin-headed policy then and it has proved to be an accurate prophecy. Canadian manufacturers generally have not now and never had sympathy for this policy, yet it stands as the official endorsement of the Association to-day. It was dictated by some very active members and the chief mover failed in his various undertakings and is no longer a member of the Association. Mr. MacKinnon might consider if the time has not come when the C. M. A. might cancel its endorsement of inferior goods and start a campaign for quality and service among its members.

There are other important problems handicapping Canadian manufacturers to-day to which Mr. MacKinnon and his successor, W. S. Fisher, should give attention; such as: the development of a better understanding and attitude generally to the public; to cease using the Association as a medium for unwise personal or general fights with labor; putting the continuous control of the Association under an able and respected executive who would prevent undesirable members using the Association to forward their own personal fads, policies or spites.

CANADA DOES NOT WANT MILLIONS OF EUROPEANS

Real Farmers Only Should be Welcomed, Says Sifton

A SERIOUS MENACE

To Flood Country With Restless Town Dwellers Would Create an Even More Serious Problem

The practical, direct methods which would be applied by a business man of initative and ability to the solution of what is after all an essentially business problem, were outlined clearly and forcefully before the Toronto Board of Trade when Sir Clifford Sifton delivered his address on immigration this week. No other man in Canada knows the question as he does; no other man has ever shown the ability to deal with it in a practical way; no other man has ever obtained the results which he did when his policy was in force. And the audience of interested business men understood the reason as they listened to his clear-cut arguments and earnest appeal for a proper appreciation of what immigration means to Canada.

Sir Clifford walked rough-shod over a lot of pretty theories as to how Canada can be settled. There was, in his opinion, but one way to accomplish the desired results. That was to go after stalwart agricultural settlers, to bring them to Canada and to put them on the farms where they could make good. Half a million of such settlers were in his opinion worth 10,000,000 of other classes. They would establish their homes here and would bring a natural increase to the population. The others would drift out of the country. Of the ten million referred to, be expressed the opinion that at the end of ten years, seven million would be in the United States, and they would bring to Canada a problem ten times worse than that now being faced.

The problem today was, in the opinion of Sir Clifford, essentially the same as faced in 1897 when he took up the task of bringing settlers to Canada. One great difference, however, was that whereas Canada was then practically unknown, Canada was today favorably regarded in all parts of the world and there are many people who are waiting an opportunity to come to this country to make their homes.

The point was emphasised that it was essentially important that in the first place the conditions in Canada which would be faced by the newcomers should be thoroughly understood—the speaker had learned of Western Canada at first hand—and it was important that the conditions in the countries from which the immigrants were coming should also be studied. Then it was a question of reaching them, of getting them to Canada and of properly locating them.

Danger in Millions

In the strongest possible language Sir Clifford spoke against any effort to bring in European settlers indiscriminately by the millions. What was wanted was sturdy settlers who would make good under the rigorous conditions on a Canadian pioneer farm. In his opinion any other settlers were not wanted. The idea that people from the towns could be educated into being farmers in a year or so was nonsensical; it would require two generations at least. To place such settlers on farms in the northwest would mean that many of them would starve or freeze.

As to the selection of European settlers, he explained how this might be arranged through booking agents who kept close tab on all emigrants. This had been done under his regime and he ventured to say that not one half of one per cent. of those so secured had left the farms on which they located. He had organized the North Atlantic Trading Company so as to avoid regulations against bonusing to secure settlers. The results had been well worth the bonuses paid. But the steamship companies did not like it and finally the government lost its nerve and the company was dissolved. Then there came a flood of settlers from Europe. Very few of these ever got on the land or remained there if they did. Their sons were keeping the police of Canada's cities busy today. He argued strongly against a resumption of immigration of this kind. The sturdy settler with a little money and a large family was his idea of "quality" im-

(Continued on page 16.)

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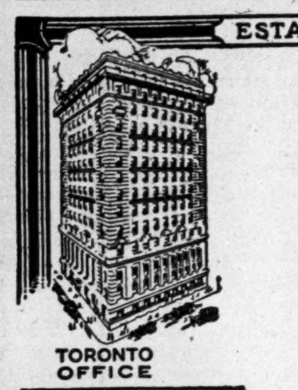

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THE SALES TAX FAVORED ABOVE AN INCOME TAX

Relief to Corporations Also Favored for the Farmers

MANUFACTURERS MEET

Australian Tariff, Anti-dumping Legislation, the Marking Act and Other Matters Discussed

Laying stress upon the large amount of unemployment and the trade depression the deputation from the Canadian Manufacturers' Association which waited on the Dominion government last week took up a number of matters, having a bearing upon national production and therefore, upon the activities of Canadian workers. One of the most important of these was taxation. The deputation recognized that Canadians will have to bear heavy financial burdens in taxes for many years and assured the government of a desire to co-operate in the placing of this burden in a manner where it will least interfere with the productive facilities of the country. In this connection, J. F. M. Stewart expressed the opinion that income taxes should not be collected from farmers as the agriculturalists should be given every reasonable encouragement in increasing production. The following recommendations were submitted:

(a) That duplication of taxation as between the Dominion and Provincial Governments be avoided as much as possible.

(b) That the Income War Tax Act as regards corporations be repealed.

(c) That the present Sales Tax be adjusted so as to provide additional revenue.

In regard to Sales Tax it was asked that, as the Sales Tax is a tax payable by the purchaser, manufacturer and wholesalers be not held liable for any taxes which they cannot collect owing to the purchaser becoming insolvent or refusing to pay.

The Australian Tariff

In March, 1920, the Australians introduced a new tariff on parliament and brought the rates of duty into effect, and it was assented to December 16, 1921. This tariff vests the Commonwealth government with powers similar to the powers vested in the Government of Canada, to negotiate Britsh tariff preferences. The deputation submitted:

The Canadian Manufacturers' Association most earnestly urges its confident belief that the national advantage of Canada will be greatly promoted by the negotiation of an arrangement with Australia by which Australia will extend to Canadian products the same preferential rates which she extends to the products of the United Kingdom, conditional upon Commonwealth products being admitted into Canada at the lowest preferential tariff rates which may be extended by this Dominion to the products of any other British Dominion—and subject also to arrangements, where necessary, for greater tariff preferences between the two countries on various important products natural to each country which it would be advantageous to exchange.

Anti-Dumping Legislation

The deputation asked that more effective legislation be enacted to limit dumping. The fact was recalled that the present Minister of Finance initiated the Special or Dumping Duty Act of Canada, passed by Parliament in 1914. The deputation then drew attention to the Act passed at the last session of parliament, determining the basis of fixing the value for duty, namely:

"Provided that the value of for duty of new or unused goods shall in no case be less than the actual cost of production of similar goods at date of shipment direct to Canada, plus a reasonable profit thereon, and the Minister of Customs and Excise shall be the sole judge of what shall constitute a reasonable profit in the circumstances."

Other matters taken up by the deputation included:

French Treaty. The French Government, although not obliged by treaty to do so, has exempted United States goods from increase applicable under the French General Tariff, while it continues to apply these increases against Canadian goods. The result is that on Canadian goods (other than the few lines which, by treaty, are subject to the French Minimum Tariff rates) France levies double to three times as much duty as she levies on similar goods imported from the United States. The deputation asks the Government to press for the immediate removal of this tariff discrimination.

Canadian Customs Appraisal of Depreciated Currency. The deputation urged the Government either to give effect to existing legislation or to provide new legislation which will effectively limit the dumping of foreign goods into Canada through the abnormal exchange situation.

Marking of Country of Origin on Imported Goods—The deputation spoke in support of the principle of Section 12 (a) of the Customs Tariff Act passed at the last session of Parliament and asked that marking provisions in accordance with the principle of this Act be provided.

COMPENSATION IN ALBERTA

From Our Own Correspondent

EDMONTON. — Payments under the Workmen's Compensation scheme in Alberta last year amounted to $367,102 for compensation and medical services. There were 7,069 accidents in the industries coming within the scope of the Act.

HYDRO TO USE BUSES

Cars and Trackless Trolleys Also Mentioned in Bill at Legislature

In a Bill before the Legislature amending the act respecting the Sandwich, Windsor and Amherstburg railway, the Hydro-Electric Power Commission of Ontario is seeking power in connection with the company's charter, "to provide a service to meet the requirements of any particular locality by motor buses or cars operated by means of trackless trolleys and for such purpose may purchase, maintain and operate motor busses and cars and trackless trolleys.

PRODUCTION OF B. C. COPPER HELD WELL

Decline of 18 Per Cent. as Compared With 40 Per Cent. Output in States

From Our Own Correspondent

VICTORIA. — British Columbia's copper production in 1921 showed a decline of 18 per cent., but when this fact is considered side by side with the failure of the United States copper mines to produce more than 40 per cent. of the 1920 total, the showing of the Pacific Coast province is not so disappointing after all.

In fact, the situation is given a decidedly favorable tinge when it is noted that in the northwestern mineral survey district, which includes the Hidden Creek mines and the Anyox smelting plant, copper production stood at 9,000,000 pounds last year, or an increase of 33 per cent. In these days of world-wide copper depression, a gain like that is distinctly out of the ordinary.

Weekly shipments to the Trail smelter have reached 9,000 tons, which is the highest point reached in some months. The smelter management has announced a return to the cash basis of settlement, which means that many new properties which have been standing idle for some time will probably be opened up in the near future.

CANNERIES PROPOSED ON WESTERN PRAIRIES

A Plan to Preserve Surplus of Vegetables Grown in Manitoba

From Our Own Correspondent

WINNIPEG.—The question of establishing canneries in Manitoba is being discussed by an important group of Winnipeg and provincial vegetable growers. It is argued that this province as a prolific source of all vegetables, of a fine quality, already needs a chain of canneries to put the vegetable growing business upon a profitable basis.

"The one thing needed in Manitoba, which can grow such lavish and such luscious vegetables is a means by which to take care of the surplus we are growing and to stabilize a price by which they will be fairly remunerative; we want the canning factories which have so assisted the vegetable growers in Ontario." This the declaration of H. C. Whellams before the first of a series of horticultural meetings under the auspices of the University of Manitoba.

The increasing tendency in Manitoba, particularly, toward intensive farming strengthens the belief here that the establishment of canning factories is an industrial certainty for Western Canada.

Prof. Broderick, of Manitoba Agricultural College, is authority for the statement that very decided progress has been made in the growing of fruits in the north-west and that the province is afforded a very early wide extension of the scale of culture.

"To say that vegetables cannot be grown in luscious profusion in Manitoba, is only to libel it and the west," says Mr. Whellams. "Within five miles of the University of Manitoba, I myself produced 72 different varieties of vegetables last year. The east is not capable of producing such vegetables as are being grown in Manitoba. I recall that, in 1872, there was introduced in London, England, the first exhibit of vegetables grown between Winnipeg and Rapid City. The people of London were so incredulous over the fact that such vegetables were raised in what they considered to be a land of fur and ice that they declared the vegetables were made of wax; and it was not until they were invited to cut them in halves with their knives that they were convinced.

ALBERTA RAILROADS

Expenditures During Year Well Within the Estimates

From Our Own Correspondent

EDMONTON.—On railways the alberta Government spent $4,334,811, which was safely within the figure authorized by Legisature. The outlays were nearly altogether on the northern roads, improvement and construction work on the Alberta & Great Waterways line accounting for $2,323,000 of the total and the twenty-five mile extension of the Canada Central, west of Peace River for $321,911.

CANADIAN CATTLE EXPORTED IN 1921 NOT PROFITABLE

Cost of Handling Not Consistent With Value Received

1922 OUTLOOK BETTER

Sterling Gains Enables Britain to Increase Her Buying Power Central Europe Markets Doubtful.

The largest part of the Canadian cattle crop of 1921 was sold at a price that did not meet the cost of production. No country whether producing a surplus for export or not, escaped the downward march of values. The overhead not only ate up the producers' profits but also brought financial losses to exporters who found the cost of freezing and hauling inconsistent with the value of the products. The market for Canadian cattle in the United States has practically ceased. The duty imposed by the new tariff has been such that this market offers very little attraction to the exporter.

Severe as were the losses of the Canadian farmers under the handicap of restricted outlets for live cattle, the Australian, New Zealand and Argentine cattle man, marketing a frozen and chilled article was even more affected. Under the necessity of meeting his annual indebtedness—loans and mortgages,—the farmer had no alternative but to sell, and had no other market on which to liquidate his surplus but that of Great Britain. As a result the heavy liquidation of these, stock literally blocked the storage facilities in England and the overflow had to be held in ships' bottoms. There was a marked falling off in the demand for meat in England during the past summer due to scarcity of money and the effect of the unusual heat there.

The situation is even now very uncertain. The cattle embargo seems to have been settled, at least for some time to come, and we are not to have the opportunity of moving our stock to the British inland markets. On the other hand, unless the foot-and-mouth disease is soon controlled it is probable that the strict quarantine regulations will be continued, and will undoubtedly affect the movement of frozen meats and clear out the storage for fresh supplies. It is obvious that this would be beneficial to all classes of the trade, and more than anything else bring supply and demand nearer normalcy.

It is now possible that with a marked decrease in ocean freights we would be able to resume liberal shipments of live cattle, for prices on the British market have apparently reached a new basis which is somewhat above the pre-war normal. The whole situation (freights included) as regards live cattle trade depends upon the general movement of the world's trade and as a result is fairly promising. Sterling exchange stands at its highest point since the war, which means stronger buying power for Britain. Canadian funds in New York are at a very high point and we now can purchase to better advantage in the American market and thus create a better flow of trade both ways. The market in Central Europe is still uncertain, for prices are cut to a minimum and are bolstered by fresh credits.

MEAT NEEDS ADVERTISING

Railroad Official Says Rates Have No Effect

The American live stock industry needs advertising more than lowered freight rates, according to Charles Dillon, assistant to the chairman of the Association of Railway Executives.

The cattle growing business feels a depression engendered by advertising during the war time in which meatless days were set and during which the National Dairy Association spent literally hundreds of thousands of dollars advertising the comparative nutritive value of milk, cream and cheese and butter and ice cream, his statement said:

"What was the result?" the statement asked. "The per capita consumption of meat and lard in the United States was 181½ pounds in 1900. In 1920 it had fallen to 154.3 pounds, a decrease in two decades of 27.2 pounds per capita annually.

"Railroad rates had nothing to do with this situation. As the demand for meat decreased, very naturally the prices fell. Throughout this entire period of decreasing prices and lessening demand the live stock industry did not spend a dollar to overcome the depression. The people have been educated away from meat. In the absence of the patriotic appeal they can be trained in only one way to use it again and that is by advertising."

Havana dispatch says fires in cane fields in Cuba, many incendiary, are more numerous than ever before, and heaviest loss suffered by Americans' mills including Manati, Baragua and Cupey. If crop limitation is carried into effect, many fields will have to be abandoned, ruining farmers.

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The Quaker Oats Company reports a profit of $2,632,716 in 1921, or $13.80 a share on its common stock, after paying Federal taxes and providing for depreciation. In 1920 the company lost $5,824,925. In 1921 it reduced its inventories $6,000,000 and its notes payable were cut down $10,000,000.

INVESTORS ONLY DEMAND A FAIR RUN FOR MONEY

Promoters Should be Made to Tell Where Capital Goes

"BLUE SKY" PATERNAL

Grandmotherly Legislation Will Not be Effective—Liabilities are More Significant Than Assets

By A. B. Barker, Manager, Toronto Clearing House.

Some years ago during a wild mining boom a well-known humorist said, "Why buy fiction? If one wants to enjoy a work of imagination read a mining prospectus." Had he been writing today he need not have limited his remarks to mining prospectuses, as there have been certain industrial offerings in recent years, the literature of which contained quite as lively flights of fancy as any mining prospectus, and the public fell for them just as readily. And now, just when the gentlemen who are skilled in such productions are getting into their stride there is talk of a blue sky law.

Practically all flotations are along the same lines whether the scheme is to handle a new industry or to merge existing plants and all the literature, merely descriptive or of the "come on" variety, deals with the value of the physical assets only and the prices paid for them, often backed by the figures given by an appraisal company. Interested parties discoursing on the company write freely of the assets behind the security, but this does not touch the root of the matter which is that the progress of the concern depends not so much on the assets as on the liabilities. Assets may shrink but liabilities never do, and the debts are a better basis from which to judge the standing of the concern than the assets, particularly the current debts and how they are to be met.

In other words the working capital, the surplus of actual assets over current liabilities. In the regulations of the Federal Reserve banks in the United States the paper of any corporation to be eligible for re-discount with them, must be endorsed by a member bank, and the statement of the corporation for the current year must show that its current liabilities do not exceed 50 per cent. of its current assets, and that its net worth is greater than the total amount of its liabilities. These banks discount trade paper only and they insist on knowing that the paper they take is that of live concerns. It is not what assets a man has, but what he is doing with them, that counts.

In Ontario the present Act states that the prospectus must show how much is being paid in cash or securities for the assets of the concern to be taken over, but this means nothing, as the corporation being formed does not buy from the original owners, but from the vendor, who has either bought from the original owner, or has an option to buy, and the price he pays is not disclosed. In practice therefore the regulation might just as well be left out; it is so easily evaded and with perfect legality. One trouble with protective legislation of the blue sky variety is that as a rule it tries to do too much.

The public does not want to be bothered with any grandmotherly regulations; all it needs is such regulations that a man can definitely figure the chances as he can in roulette, if he wants to risk his money that way. All that is needed in the Company Act is a clause compelling any prospectus to state how much actual cash from any security for which public subscriptions are asked is to go into the corporation free of any claims whatever, except for the ordinary operations of the business, and that liabilities of every kind, in the shape of contracts or agreements shall be disclosed in a sworn declaration for which all vendors and underwriters will be liable. No one wants to cut down any promoter's legitimate profits but if all rumours are true, some of the profits on several promotions in recent years which cost the public dear were scandalous. It is said one concern which brought out at least one pronounced failure, charged 25 per cent. of all receipts as its fee. What enterprise could prosper with a load like this? A declaration as to the actual amount of cash going into the Treasury of the new corporation as working capital, free of liability, would have stopped this particular flotation and incidentally have saved the public much money.

FAIRBANKS, GOSSELIN

Prospects Poor For Much More Than 5 Per Cent.

From Our Own Correspondent

MONTREAL.—The creditors of Fairbanks, Gosselin & Co., who number some 900 did not hear very favorable reports as to their chances of recovering from the bankrupt stock exchange house. The claims of the creditors and contingent and other liabilities amount to $794,508. This includes a sum of $235,197 owing to the Merchants Bank which however, is considered a secured creditor. Among the claims of the estate is $120,084 said to be owing from clients, but only about $30,000 is expected from this. There is also a claim in litigation against Bryant, Dunn & Co., of $261,437. The total assets amount to $347,088 if everything is good but the general impression is that not more than about $50,000 to $75,000 will be realized finally. After a very stormy meeting an adjournment was taken for a week without appointing inspectors.

AMERICAN MINES COMPETE IN ALBERTA

This Competition and Industrial Depression Reduced Coal Production

From Our Own Correspondent

EDMONTON.—The report of the Mines Branch, shows that the province's coal production in 1921 was 5,927,270 tons, a decrease of 981,653 tons from the preceding year. Weather conditions, keen competition in the prairie markets from the American mines, and business depression in some parts of the West were responsible for the falling off, together with the fact that some stocks of coal had been carried over from the year before.

Of the total output Alberta sold 1,914,156 tons to other provinces and 133,823 tons to United States markets. The Manitoba and Saskatchewan markets were cultivated with considerable care, and notwithstanding the fact that anthracite from the American fields was brought into Winnipeg in large quantities, the Alberta mines have now gained a solid footing in that market.

Too many mines were in operation last year, the number being reported as 330. If these had been working at full capacity the total production would have been over 11,000,000 tons. The aggregate capitalization of the operating mines is given at $40,000,000.

CHICAGO'S "PONZI" A SMOOTH OPERATOR

Admits Speculations But Says That His "Dupes" Were Willing

Arrest of Raymond J. Bischoff, a private banker on the south side of Chicago, who has been preying upon Lithuanians in the vicinity of the stock yards, revealed that this volatile young emulator of Ponzi, is indebted to his creditors for between $4,500,000 and $7,000,000 and that in the majority of cases the only evidence of debt held by them is in the form of promissory notes. Bischoff admitted that he had been speculating with the funds entrusted to him, but that his speculations had been indulged in with the consent of his numerous and varied clientele.

The method employed by Bischoff to obtain money was to offer annual profits of 40 to 50 per cent. on investments and he gave notes which ran from one to eight months. Unless a demand was made for actual cash, he added the interest to the principal in making out new notes to take the place of the paper maturing, and in that way he was able to tide his affairs through periods of stringency. It has been so far impossible to estimate the value of Bischoff's assets, but as he has been runnning behind in his payments of interest only since last month, the receivers anticipate that perhaps 50 per cent. may be realized to take care of claims. Bischoff speculated broadly in oil and gas prospects, but investigations conducted by Attorney Streyckmans show that he also invested considerable money in sound securities and steps have been taken to prevent him from disposing of these.

VANCOUVER MAKING STRIDES AS A PORT

Conditions in British Columbia Brighter Than in the East

The depression in British Columbia is passing according to Hon. C. E. Tisdall, mayor of Vancouver; logging camps are reopening, lumber and shingle mills are preparing for a better year; the mineral outlook is more hopeful. In speaking of the port of Vancouver, Mr. Tisdall said:

Grain exportation through the Port of Vancouver has developed of late months in an unprecedented manner, the quantity shipped, including flour, from October, 1921, to January 13, 1922, being one hundred and eleven thousand tons, or nearly four million bushels. Additional elevator space is now urgently needed and will be built without delay.

The recent innovation of aerial inspection of all boats entering Vancouver Harbor was specially organized for the prevention of drug smuggling.

Herewith is a comparative record of shipping:

	1920	1921
Coastwise—		
Number of vessels	11,489	11,495
Gross tonnage	7,257,382	7,397,472
Net tonnage	4,217,169	4,441,316
Deep-sea—		
Number of vessels	336	389
Gross tonnage	1,884,042	2,659,366
Net tonnage	1,163,699	1,678,874

One day in the Port of Vancouver, December 5, 1921, there were deep sea vessels with net tonnage of 80,892; gross tonnage, 130,514; dead weight, 182,200. The Coastwise gross tonnage was 17,000,000.

PULP AND PAPER EXPORTS HIGHER VALUES LOWER

Pulp Exports For January Nearly Three Times One Year Ago

$86,000,000 vs $142,000,000

Total Values Show Big Drop For Ten Months Period—Comparison of Average Prices

From Our Own Correspondent

MONTREAL.—The pulp and paper industry insofar as exports are concerned has reached the point where the volume of exports is running ahead of the corresponding month of 1921 but the decline in value during the year has resulted in a cutting down of the total value of the exports. For instance, for the month of January 1922, according to statistics of the Dept. of Trade and Commerce, the exports of newsprint from Canada amounted to 67,701 tons where in January, 1921, the exports were only 57,341, or over 10,000 tons less. On the other hand the total value of the exports this year was only $4,966,352 where one year ago the value was $6,532,034. Again in the case of pulp the exports for January were 52,006 tons or nearly three times the figures of last year, 21,704 tons. The values for 1921, however, ran nearly $50 per ton where the values for 1922 fell below $30. The heavy decline is due mainly to the large amount of groundwood pulp that made up the exports of this last January, over half a million tons. The average value of which per ton was barely $20 where a year ago the value was $30 per ton. In the case of sulphate pulp the value was a little over $30 a ton where one year ago the value was slightly over $50. Bleached sulphite averaged a little over $40 in January compared with over $70 per ton one year ago.

The total value of the pulp and paper exports was $8,831,480 where one year ago they were $9,663,054. The total for December last was $10,325,533 but in December the newsprint mills were receiving about $80 per ton as compared with $70 for the first month of the present quarter.

For the first ten months of the fiscal year ending March 31 the total exports of pulp and paper amounted to $86,000,000 compared with $142,000,000 for the last year. The values, however, were over $3,000,000 in advance of the figure for 1920.

The following statistics cover January conditions:

Exports Pulp and Paper

10 mos. to Jan. 31	Paper	Pulp	Total
1922 .	$56,473,800	$30,262,955	$86,736,755
1921 .	75,177,855	67,401,198	142,578,053
1920 .	49,717,824	33,858,354	83,576,178

PAPER—		
Newsprint	$4,966,352	$6,532,034
Book paper	784	109,205
Other paper	410,329	847,919
Total paper ..	$5,377,465	$7,489,158

PULP—1922	Quantity cwts.	Value
Sulphate (kraft) ..	196,144	609,943
Sulphite, bleached .	249,406	1,072,091
Sulphite, unbleached	22,399	631,910
Mechanically prepared	572,173	1,140,071
Total pulp	1,240,122	$3,454,015

PULP—1921	Quantity	Value
Sulphate, (kraft) ...	83,722	426,827
Sulphite, bleached ...	74,125	526,839
Sulphite, unbleached	143,299	824,094
Mechanically prepared	133,951	396,136
Total pulp	435,097	$2,173,896

Countries of destination were: paper—United Kingdom, $122,038; United States, $4,852,943; other countries, $402,484. Pulp—United Kingdom, $578,550; United States $2,810,373; other countries, $65,092.

Drop In Pulpwood Exports

Exports of pulpwood to the United States for the ten months' period compare as follows: 1922—630,540 cords, valued at $7,926,536; 1921—1,243,112 cords, valued at $16,396,940; 1920—738,477 cords, valued at $7,417,390.

Exports of pulpwood for the month amounted to 66,094 cords, valued at $696,943, compared with 155,752 cords, valued at $2,271,363 last year.

CANADIAN PRODUCTION UP

A report issued by the News Print Service Bureau of New York available this week carries an interesting supplementary message to the Canadian Government figures. Of the Canadian mills that belong to the "Service" production during January was 81,418 tons as compared with 71,518 tons for January one year ago. This represents 92 per cent. of maximum for the month of January this year. In the United States the mills produced 93,389 as against 101,292 one year ago, a decline of nearly 8,000 tons.

25 PER CENT. FROM THORNTON DAVIDSON

From Our Own Correspondent

MONTREAL, (Special)—The creditors of Thornton Davidson & Co., have been notified that an additional dividend of 7½ per cent. will be payable on March 14. This will make a total of 17½ per cent. and there is a probability of 7½ per cent. more being paid later on, making a final total of 25 per cent.

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DON'T risk loss by enclosing cash in your letters. You will find the Money Orders issued by this Bank a safe and convenient way of paying your out-of-town accounts.
Our Teller can issue them without delay at the same cost as Post Office or Express Orders.
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OUR service has a very practical value for you and your business.

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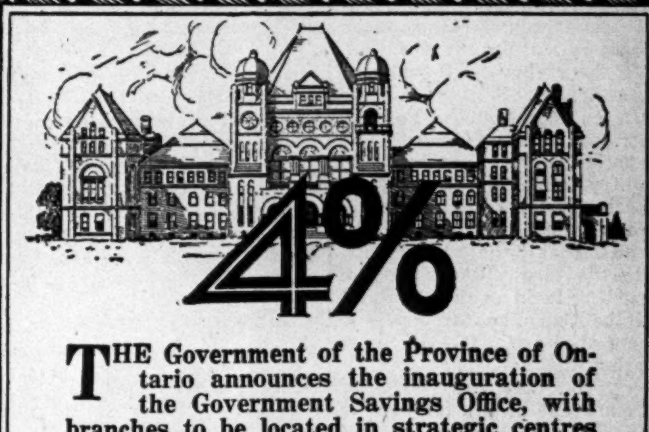

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To the individual depositor the Ontario Government Savings Office offers an absolutely safe place for his money, with interest at the rate of 4% compounded half-yearly, the privilege of drawing upon his account by cheque, and other conveniences of a well-appointed bank.

To the public welfare of the Province, the Ontario Government Savings Office will contribute by the wise public use of the funds entrusted to its care, in the benefit of which the depositor as a unit of the public will also share.

The Local manager of the Ontario Government Savings Branch will be glad to see you and explain full particulars in detail. Drop in and see him to-day.

Note: The Head Office of the Province of Ontario Savings Office will be in a position to undertake banking by mail, and will be glad to give full particulars of the banking service of the Province of Ontario Savings Office.

Province of Ontario Savings Office

Head Office: 110 University Ave., Toronto
Director: Mr. M. E. McKenzie

Branches now open at Aylmer, Woodstock, St. Mary's and Toronto

31

FARMERS' PLIGHT DRIVES FIELDING TO TRY RECIPROCITY

They Are Anxious to Throw Down the Fordney Bars

PROTECTIONISTS' JOY

Have Not Much Fear That U.S. Farmers Will Permit Agreement—Placate Progressives

By our Political Correspondent.

OTTAWA.—The plight of the Western farmers would appear to have driven Hon. W. S. Fielding, Minister of Finance, down to Washington, his favorite stamping ground of the early summer of 1911. No official announcement has been made, and probably none will be made, perhaps, for months, but the general belief close to Government circles is that he has gone down in an effort to negotiate a portion at least of the reciprocal arrangements that he and Mr. Paterson carried back with them at a time when the Laurier Government was still strongly entrenched in power. It will be recalled that a dispatch from Washington appeared in THE FINANCIAL POST early in December, just before the Federal elections, intimating that a victory by the Liberals or the Progressives would be taken there as insuring an attempt to revive the reciprocity negotiations of ten years before.

1911 Not Farmers' Measure Chiefly

The "pact" of 1911 was not primarily intended to placate the farmers of the West. It was brought up partly, to satisfy those long-pent-up leanings of a great many Liberals for a freer measure of trade, which had been stifled for fifteen years. In the main, however, it was looked on and accepted by the party in power as legislation that was likely to prove a strongly popular measure, that would insure their success at the forthcoming elections, to include the consumer generally, and the labor men as well as the farmers.

At the present time negotiations are taken to mean an effort to solidify the support of the Progressives by an effort to secure reciprocity and at the same time an answer to the appeal of the Western farmers. These have found themselves pretty well shut out of the United States market by the heavy duties placed on a large number of agricultural products such as wheat, cattle, etc., by the Fordney tariff, and even strong protectionists in the Cabinet are arguing that the opening of the American market for products such as wheat, cattle, butter and other farm products, would relief the situation out West, and thereby improve the prospects of industrial groups as well. The protectionist is insisting on the other hand, that safeguards be provided that will not alarm the manufacturers and interests generally classed as "financial," and is quite willing, meanwhile, that Mr. Fielding be given a fairly free hand.

U. S. Farmers Hostile?

The Canadians may find the situation reversed from the time when Congress ratified the former agreement, while in Canada it was talked out in Parliament and turned down in the country during the elections. This time the higher tariff walls of 1921, were raised by the farmers of the United States in the Fordney schedules. Canadian wheat and flour especially, were pouring into that country. Will these powerful agrarian interests, with apparently even greater influence among the Republicans, than the Democrats, submit to the throwing down again of the existing tariff against the products of the Canadian farmers, and allow them once again free access to their markets? In Ottawa there is a tendency to take the view that prospects are not bright for success of Mr. Fielding at Washington, but in any event the Progressives will have been appeased by the attempt: "The Liberals did all they could."

So either way there is a consoling feeling pervading the Government camp.

DIVIDEND PAYMENTS

Company	Date	Rate	Record
Bank of Hamilton	Mar 1	3	Feb 18
Bank of Toronto	Mar 1	3	Feb 10
Bk of Commerce	Mar 1	3	Feb 13
Bank of Montreal	Mar 1	3	Jan 31
Royal Bank	Mar 1	3	Feb 15
Union Bank	Mar 1	2½	Feb 13
Home Bank	Mar 1	1¾	Feb 14
Bank Hochelaga.	Mar 1	2½	Feb 15
Crow's Nest Coal.	Mar 1	1½	Feb 11
Gillette Razor ..	Mar 1	$3	Jan 31
Do stock div..	June 1	2½	May 1
C. P. R., com. ..	April 1	2½	Mar 1
Do., pref.	April 1	2	Mar 1
Woods Mfg.	Mar 1	2	Feb 20
Wabasso	April 3	1	Feb 20
Mtl. Cotton, com..	Mar 15	1½	Feb 28
Do., pref.	Mar 15	1¾	Feb 28
Imperial Oil, ...	Mar 1	75c	Feb 18
Do., ...	Mar 4	75c	Mar 1
Shawinigan, com.	Apr 10	1¾	Mar 24
Lake of Woods,			
Com.	Mar 1	3	Feb 25
Pref.	Mar 1	1¾	Feb 25
Dom. Glass, com.	Apr 1	1½	Mar 15
Do., pref.	Apr 1	1¾	Mar 15
Dominion Bank..	Apr 1	3	Mar 20
Mackay, com.	Apr 1	1½	Mar 8
Do., pref.	Apr 1	1	Mar 8
Montreal Loan ..	Mar 15	3+1	Feb 28
Ogilvie Flour ..	Mar 1	1¾	Feb 22
Prov. Paper, com.	Apr 1	1½	Mar 15
Do., pref.	Apr 1	1¾	Mar 15

REJECTED SURTAX OF 5%

Private Bills Committee Turns Down Montreal Civic Attempt

MONTREAL.—Welcome news has reached the public utility corporation that the application of City of Montreal to continue a surtax of 5 per cent. on the properties of the companies on the streets was rejected by the Private Bills Committee. This special tax had been in force for several years, until last year covering the Montreal Light, Heat & Power Company, Bell Telephone Company escaped with 1 per cent. tax as it is to a great extent a civic institution while Montreal Tramways Company pays the City $500,000 a year under the contract.

BLACK LAKE CO. EARNINGS WERE CUT

Net Loss For Year of $65,000 Against Slight Surplus Previous Year

From Our Own Correspondent

MONTREAL.—The statement of the Black Lake Asbestos & Chrome Co., showed an operating profit of $122,397 for the year 1921, as compared with one of $161,097 in 1920. After deductions including depreciation of $95,865 there remained a loss for the year of $65,923 where one year before there was a surplus of $1,509.

	1921	1920
Op. profit	$122,397	$161,097
Other inc.	3,956	6,637
Profit on exchange .	5,891	....
Int. disc. and exch. ..	....	27,784
Sale of bonds	....	150
Total income	$132,244	$195,668
Expense	102,302	34,141
Taxes	....	6,558
Bad debts res.	....	1,500
Bond int.	....	71,280
Depreciation	95,865	80,680
Loss for year	65,923	x 1,509

xProfit.

Note: Final balances subject to inventory valuation.

Current assets amount to $381,523 as against $365,550 one year ago, with current liabilities increased from $53,849 to $261,000. The result gives net working capital of $120,525 as against $311,701 one year ago.

In his report to the shareholders the president, J. A. Jacobs, says:

"Production of asbestos for the year was considerably increased both in crude and fibre, while mining costs were lowered, due largely to reduction in wages and lower cost of supplies as well as general improvement in mining and milling. Improvements and additions to the plant to the extent of $31,763 have been added to capital account. Plant, etc., is in excellent condition and expenditures for 1922 will be considerably reduced. General changes in mine management and more active sales organization should show better results as soon as trade situation improves. Sales for the year were considerably less than the previous year. Bond interest was not earned and therefore could not be paid. Directors feel confident that when business improves and if present prices of asbestos are no further reduced net earnings will be materially increased."

STERLING TRUSTS CONTROL CHANGES

After Years of Negotiations Directors Secure Control of Shares

The directors of the Sterling Trust Corporation have at last gained control of the stock formerly held by the Standard Reliance Corporation now in liquidation. While at no time has the soundness of the Sterling Trust Corporation been in doubt, yet its operations were hindered by this association.

The annual statement just issued shows a marked reduction in the net earnings, due almost entirely to the time spent by the directors in securing the transfer of stock, instead of getting new business. The net earnings after expenses were paid amounted to $11,736 as compared to $34,410 of last year. The capital account shows a slight increase from $530,881 to $547,312 and the guaranteed trust account has been reduced from $588,653 to $532,405. The assets also have been reduced from $3,029,200 to $2,474,169.

The following tables show the position of the company.

	1921	1920	1919
Net earnings ..	$11,736	$34,410	$62,197
Bal. forward ..	*18,608	8,279	8,002
Trans from res.	......	......	100,000
	$30,344	$42,689	170,199
Assets writ down	......	......	161,920
Appropriation ..	......	21,369	......
Balance..	30,344	21,320	8,279
	$30,344	$42,689	170,199

*Less adjustment in respect of income tax, 1919.

	Capital Account	Guar. Trust Account	Estates Trusts Agencies
1921	$547,312	$532,405	$2,474,169
1920	530,881	588,652	3,066,290
1919	574,859	587,307	7,070,068
1918	598,108	563,641	10,896,204
1917	519,603	603,520	3,491,822
1916	463,329	481,642	2,927,325

The board of directors for the ensuing year isas follows; W. H. Wardrope, K. C. Hamilton, president; A. W. Briggs, K. C., Norman Sommerville, F. B. Hayes, John Hallam, Nicol Jeffery, Guelph; J. C. Elliott, London; W. A. Boys, K. C., M. P., Barrie; Charles Bauckham, managing director, and J. W. Scott, Listowel. John Hallam is a new director. He is head of one of Canada's largest fur trading institutions.

"LONDON MOTORS" OPENS WITH PRAYER

William Riley Stansell Presents Report That Shows No Real Progress

William Riley Stansell, high priest and promoter of London Motors, Ltd. called his disciples and shareholders together for the first annual meeting of the company the other day and presented them with a statement of their affairs. The meeting opened with fervent prayers and ere the new Moses who was to take his followers to the Land of Profits in a new and powerful motor car, told of what he had been doing with their money he induced them to join in a fulsome rendering of the Doxology.

The statement presented is barren of any indications of progress. Current assets and inventory total $77,250 and current liabilities $24,700; thus after issuing over $250,000 of preferred stock the company finds itself with about $50,000 of working capital, all of it tied up in raw materials and with no established markets and with no possibility of extensive production being entered into shortly. Even with the high valuations of $285,000 placed by the company on its real estate and plant and the $300,000 shown for plants, designs and specifications there is an excess of liabilities over assets of more than $75,000. The estimate that the preferred stock is worth $25 a share is a little high. Deducting the water in the balance sheet the stock is worth but little over par at its book value. But its book value must not be confused with its market value which is probably slightly over nothing.

The figures in the balance sheet mean but little. It was explained at the meeting that the valuation of the plant and property included the estimated value of the ten acres of land held for plant expansion.. But this ten acres is part of a block of land that has been through several real estate booms, the last in connection with extraneous operations of men associated with the promoters of this company. Its value may be somewhere between 10 cents and $100,000 but it has undoubtedly been put in the balance sheet for all it would bear.

Shareholders of London Motors, Ltd., seem to be getting their first insight into the true status of this promotion, which was severely criticized in THE FINANCIAL POST when it was first brought out by the ambitious Mr. Stansell.

BRAZILIAN TRACTION

Earnings and expenses of the Brazilian Traction, Light and Power Co. show a large gain in revenue for 1921, as compared with the previous year. December earnings are in excess of the corresponding month of the previous year by 2,805,000 milreis, and net earnings for the year show a gain of 25,114,000 milreis. The comparative statement is as follows:

	1921. milreis.	1922. milreis
Gross earnings	15,405,000	12,600,000
Operating	6,051,000	6,917,000
Net earnings	9,354,000	5,683,000
For 12 months—		
Gross earnings ..	170,867,000	134,906,000
Net earnings	95,105,000	69,991,000

Amalgamated Clothing Workers of America have started to collect $2,000,000 strike defense fund as consequence of threatened trouble in Chicago, Rochester, Baltimore, and perhaps New York.

UNLISTED SECURITIES

	Bid	Asked
Abitibi G. Mtge. 6's (1940)	83½	85
Algoma Steel 5's (1962)	46	47
Alta. Pac. Grain com....	115	125
Do pref	80	83
Ashdown Hard 5's (1928)	85	....
British Amer. Assur. ...	4	5
Burns, P., 1st Mort. 6's..	103	....
Can. Marconi	1	....
Can. Nor. Ry. 4's (1934), Dom. Guarantee	83¼	84
Do 4s (1930) Man Guar	86¾	87¾
Can. Oil com	45	51
Can. Westinghouse	107	....
Can. Woollens com... ..	17	18
Do pref	67	....
Cockshutt Plow pfd ...	40	43
Colling. Ship. Bld. com.	50	55
do 6's	92	....
Cuban Can. Sugar pref..	15	18
Davies, Wm., 6's	99	....
D. Iron & Steel 5s (1939)	71	72
Dom. Power com	23¼	25½
do pfd	84	85
Dunlop Tire pfd	84¼	85
do 6's	90	....
Eastern Car 6's	85	90
Famous Players pref ...	59½	61
Fraser Co. 8's (1941) ...	96	....
Gt. West Life	200	....
Gunns Ltd pref	52	55
Harris Abattoir 6's	91½	93
Home Bank	....	100
How. Smith Pap. 7's(1941)	....	95
Imperial Oil..	104	107
Intern. Milling 6's	92	....
King Edward Hotel com.	62	64
do 7's	83	....
Lake Superior Paper 6's..	87½	....
Lambton Golf	390	410
Manufacturing Life	38	....
Massey-Harris	....	52
Mattagami Pulp pfd	....	19
do Deb.	34	37
Mercantile Trust	98	100
Murray-Kay pref	53	55
National Life	40	....
Neilson, Wm., 6's	90	....
Nova Scotia St. 6% Deb..	72½	73
Ontario Pulp 6's	86½	90
Price Bros 5's (1940)....	86	....
Riordon new, com	⅞	1¼
Robert Simpson pref ...	78½	79½
Spanish River 8's (1941).	93	....
Sterling Bank	102	103
Sterling Coal com	21	24
Toronto Power 5's 1924..	94	95
Trust and Guarantee ...	70	70½
Western Assurance	5	6¼
West. Power Co. 5's	76	....
Whalen Pulp com.	7	....
do pfd	18	....
do 7% Deb.	51	52¼
Winnipeg Electric pref..	85¼	86¼

D.U.R. MEN ACCEPT $19,850,000 OFFER

Vote Will Be Taken in City in April—No Reorganization of Company

From Our Own Correspondent

MONTREAL.—The adjourned annual meeting of the Detroit United Railway, held on Monday found the shareholders prepared for a decision on the offer of the mayor, and it was agreed to dispose of the city system of about 270 miles for $19,850,000. The mayor's plan calls for a cash payment of $2,770,000 and the balance in half yearly instalments of $500,000 each up to July 1, 1930 and the remainder on December 31, 1931, with interest at the rate of 6 per cent. per annum on the deferred payments. A special civic vote will be held about the middle of April to secure the approval of this purchase agreement. The question submitted to the ratepayers will include the agreement and in addition a bond issued to provide the necessary cash.

The present payment fall considerably short of that submitted to the electors a couple of years ago, when the price suggested was $31,500,000. To the $19,850,000 total, however, must be added a sum of $2,300,000 already paid the company for tracks and cars purchased by the city. This would make the total $23,150,000. The company will still retain a couple of properties.

The mayor's plan provides for the cost of the line to be met out of earnings. It will require 60 per cent. to pass the agreement. A meeting of the shareholders will be held on March 10, to take up in detail the formal agreement. Following the meeting A. A. Gingras, who has been in control for several weeks through proxies which he secured, stated that all the directors were in favor of accepting the mayor's plan. He declared that the partial payment plan would permit the company to meet payments on bonds and mortgages outstanding against the property and prevent speculation in the bonds because of the long term of the payments. He stated further that there would be no reorganization of the company on account of this sale nor a reduction in the present capitalization. The company will still own about 600 miles of inter-urban lines with terminals in the city. The acquisition of the Detroit United Railway system will give the city about 364 miles in all.

Dunlop Double-Life, High-Mileage Cord and Fabric Tires Will Save You More Money Than Ever

Compared to a few years ago tire users are getting easily double—and even more than double—the mileage in the tires of to-day.

Ten, twelve and fifteen thousand miles are just average mileages to-day. And the records on the road show that Dunlop Cord Tires and Dunlop Fabric Tires are even exceeding these mileages.

With Dunlop big mileage you have rock-bottom prices and paramount tire quality—tire quality that is accepted as standard to-day, and which other makers are vainly striving to duplicate.

When you can get a tire with prestige back of it like DUNLOP, and with practically an unlimited guarantee, why chance your life on a second-rate tire at any price?

In Dunlop Cord Tires you have "Traction" and "Ribbed" to choose from.

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A. 154¾

Get Behind the Premier!

THE amazing facts of Canada's immense loss of population within the past few decades—as revealed by the census—have given a rude shock to all thinking Canadians. To retain its newcomers as citizens and the sons of its citizens as builders of the Dominion, Canada must assure them at least a modicum of prosperity. In a forceful, trenchant, characteristic article, Agnes C. Laut discusses these issues in the

MacLean's Magazine for March 1st

"What we need," says Miss Laut, "is an united Canada—one unified puissant nation. Each little unit—the Maritime Provinces, Quebec, Ontario (the manufacturers' Paradise), the Prairie Provinces, British Columbia—has pulled for its own little ends, its own little local wants, forgetting that a nation—like a human body—can only attain perfect well-being when all the parts are in well-being, from its little toe (with apologies to P.E.I.) to its stomach (with my compliments to the grain-growing prairies). . . . .

"Mackenzie King won. My hat off to him and my sympathy with him; if I had twenty-five thousand miles of adhesive plaster in my possession I would send it to him, to help bind up in unity of aim, action and destiny the disruptive forces of class, creed, race, section, which he must unify if Canada is to avert financial catastrophe and forge ahead in his lifetime to a nation of forty to fifty million people, as it ought."

A Peaceful Session? Perhaps!

By J. K. Munro

The tariff is dead and will stay dead—until the next election; the railway issue is dormant but will show unmistakable signs of life. So says "J. K.," in a timely political article in which he discusses whether the members of the new Cabinet will make the House a talker's Paradise or a worker's sanctum.

Other Striking Fact and Fiction Features:

RANCHING ON THE BOTTOM OF A LAKE—by Charles C. Jenkins. The romantic story of the Kleskun Ranch, which a few years ago was several feet under water, and now—!

TAKING DOWN OUR MEMBERS—by T. M. Fraser. Some of the humorous side lights as viewed by the Hansard reporters in the House of Commons, during the past half century.

WETHERELL'S ROMANCE—By Alan Sullivan.—A poignant piece of short fiction, by a master writer, describing what happened when a consumptive tried to sell mining claims in London, England.

TOTEM POLES.—By Charles P. Cushing. A story of British Columbia and Alaska, of a man who found romance in business—and how he wavered between two girls.

MOSTLY SALLY.—By P. G. Wodehouse. The conclusion of this entertaining serial, in which Sally meets her just reward. And Ginger gets—well—.

PRICED ABOVE RUBIES.—By Luella Stewart. One of those graphic little bits of a cross-section of real life, delineating a story as old as the hills, but ever absorbing.

THE MAUVE MICRASTER.—By G. Appleby Terrill. The account of what happened when a Professor, who collected queer stones, and a girl, who had a queer brother, fell in love with each other.

THE MARCH HARE.—By Guy Morton. A business romance, based on facts which recently occurred in a prominent Canadian industry; this handsome young business man not only makes very satisfactory profits by turning the tables on his rivals, but manages to secure a beautiful girl as a prize.

BACK TO THE DAYS OF COTTAGE CRAFT.—By Gertrude E. S. Pringle. Miss Helen Mowat started her industry with $10 capital—and more than a moderate amount of brains. But—she had an idea—and last year she paid out $12,000 to her workers.

REVIEW OF REVIEWS.—This department alone is worth far more than the price of the magazine. It gives a review of world-wide matters of current interest, condensed in most readable form.

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IS FIVE PER CENT. MONEY IN SIGHT? CONFLICTING VIEWS

Municipal Bonds Are Now Stronger Than Victories

INVESTMENT OUTLOOK

Stock Markets Have Experienced Activity — Fractions Show Signs of Working Up

"A five per cent. loan would have to sell considerably under par unless it were made a long term issue—Five per cent. money for the Dominion does not yet seem in sight."

This statement in THE FINANCIAL POST'S story regarding the impending Dominion of Canada loan last week drew the criticism of a Toronto bond dealer. He feels that five per cent. money is in sight for the Dominion and that the entire tendency of the bond market is in that direction. He points to municipals selling at 5.40 per cent. and thereabouts to indicate how close to a five per cent. basis for government bonds the market is.

Other bond dealers, however, contend that present bids on municipal bonds are not entirely justified. With Victories available at 5.52 per cent., municipals are not worth 5.40 p. c. is their contention. They state that Victory bonds must still be considered the basis of the market and prices of other bonds must eventually fall in line with quotations on Victories. At present municipals are undoubtedly stronger than Victories.

All is guess work in determining the possible rate of a Dominion Loan in the fall but the consensus of market opinion is that a 5¼ per cent. 25 year taxable bond of the Dominion would be worth par. But even that forecasts strengthening of present prices.

Looking ahead a few months stronger bond prices are seen. Of that there is no doubt. The tremendous improvement that has taken place has not entirely discounted the possibilities for better prices. So long as industry is quiet there will be plenty of money for investment. But five per cent. money would mean an improvement that the more conservative onlookers do not prophecy in the immediate future.

The Investment Situation

Practically all stocks on the Montreal and Toronto exchanges have shown a bullish tendency, with the exception of pulp and papers and steamships shares. Gold stocks have reacted slightly and considerable profit taking has been experienced. Steel has been more active, with the slight improvement in the industrial outlook.

Predictions that reactions would set in have been freely made, but have not yet been fulfilled. After a steady if slow advance during the past six months the markets has at the present time reached a place where slight reactions are likely to be more frequent. Such a movement would be only temporary for conditions are fundamentally sound. While there may be a large number of stocks that have discounted a good deal in the way of possible earnings for a long time to come, there are others.

Utilities and tractions were strong and more than usual attention given these stocks resulted in heavy buying. There does not appear to be anything tangible, upon which the present demand is based, except an improvement in general conditions and the idea that these stocks are cheap. Sterling exchange has again touched a new high at $4.44 in New York. With the rise in sterling there has been a betterment in all the European exchanges.

ST. MAURICE REDUCES DIVIDEND

After maintaining a dividend of 8 per cent. last year the St. Maurice Paper Company has announced a reduction from 8 to 5 per cent. through a declartion of 1 3-4 per cent. for the current quarter in place of the regular 2 per cent. This is taken to be a natural reflection of the lessened earning power under the ruling prices of newsprint and pulp. The stock of the Company is closely held and there is little trading in it. A recent sale was made at 85.

SOUTHERN POWER

Gross earnings of the Southern Canada Power Company and its subsidiaries for the month of January amounted to $74,094, which is an increase of $10,056 over the figures for the same month in 1921. Operating expenses and purchased power showed a slight decrease, and net amounting to $43,731, showed an increase of $10,075.

For the four months ending January 31, the gross totalled $296,523, an increase of $42,513, and net at $173,122, increased by $45,018.

CANADIAN BRILL COMPANY

S. M. Curwen, president of the J. G. Brill Company, of Philadelphia, has expressed himself in a recent interview,

March Dividend Payments

Banks	$2,354,750
Industrials	2,002,073
Bond interest	4,245,067
	$8,601,890

Industrials, Etc.

Company	Rate	Amount
Belding-Corticelli, pref	1¾q	$15,142
Brandram Henderson c	1¼q	12,125
Crow's Nest Coal	1½q	93,189
Niagara Falls Pow. com	1½q	217,269
Imperial Oil	75c	1,170,000
Lake of Woods com	3q	84,000
Do pref	1¾q	26,250
Mont. Cottons com	1½q	44,244
Do pref	1¾q	51,618
Ogilvie Flour pref	1¾q	35,000
Port Hope Sanitary	1¾q	7,980
Sher. Williams com	1½q	60,000
Do pref	1¾q	59,938
Tooke Bros. pref.	1¾q	17,238
West. Can. Flour	2q	49,708
Woods Mfg. com.	2q	34,372
Montreal Loan	3ffq	24,000
		$2,002,073

Banks

Commerce	3q	$450,000
Hamilton	3q	149,946
Hochelaga	2½q	100,000
Home	1¾q	34,289
Montreal	3q	660,000
Royal	3q	610,515
Toronto	3q	150,000
Union	2½q	200,000
		$2,354,750

BOND INTEREST

Industrials, Etc.

Company	Rate	Due	Amount
Abitibi Pulp	8	1931	$160,000
Black L. Asbestos	6	1943	35,490
Brandram-Henderson	6	1939	20,160
D. Iron & Steel	5	1939	178,460
Brompton Pulp	6	1939	30,000
C. Steel Found.	6	1936	84,891
Canadian Salt	6	1934	10,680
D. Sewer Pipe	6	1927	2,349
Dom. Textile	6	1925	98,025
Do	6	1949	75,000
Dunlop Tire	6	1927	9,120
N. S. Clay	6	1930	1,950
Robin, Jones and Whitman	6	1930	6,186
Toronto Paper	6	1942	20,694
Span. River Pulp	6	1929	69,285
Lake Sup. Paper	6	1941	150,000
W. Can. Flour	6	1928	22,107
Do	6	1931	16,755
Ottawa Gas	6	1939	25,500
South. Can. Power	6	1948	101,610
Mex. Tramways	5	1956	252,187
Mont. Tram. & P.	6½	1924	237,250
N. B. Power	5	1937	43,750
Electrical Dev.	5	1933	233,725
W. Kootenay Power	6	1940	35,448
Hillcrest Collieries	5	1940	8,125
Third War Loan	5	1937	2,316,320
			$4,245,067

OTTAWA TRACTION

The Ottawa Electric Railway Company has offered to submit its profit and loss statements for 1920 and 1921 to the city of Ottawa. Access will be allowed to its plant and equipment, mentioned in the new inventory, for the obtaining of information, to assist the city in its negotiations for a new franchise agreement. It is the intention of the city to take advantage of the company's offer at once.

DULUTH-SUPERIOR

Gross earnings of the Duluth-Superior Traction for the month of January amounted to $148,806, as compared with $157,103 for the same month in 1921, a decline of 5.28 per cent. Net earnings for the month amounting to $21,946 compared with $22,710, a decrease of 3.36 per cent. Gross income for the month amounting to $15,496, showed a decline of 3.87 per cent.

STOCK MOVEMENTS OF THE WEEK

Week Ending February 28

BANKS—	Div. Rate.	Ask.	Bid.	High.	Low.	Close.	Sales
Commerce	12	182	180	182	180½	181	125
Dominion	12	192	190	192	190	191	98
Hamilton	12	171	169½	170	168¼	170	17
Hochelaga	10	...	143½	143½	143½	143½	7
Imperial	12	...	171	173½	170¾	172	41
Molsons	12	168	...	165	165	165	10
Montreal	12	...	215	216	215	215⅞	125
Nationale	12	111	109	110	106	110	47
Nova Scotia	16	...	256	256	254	254	71
Royal	12	197	195	197	195	195	120
Standard	14	201	200	201	200	201	31
Toronto	12	177	176	176½	175½	176	35
Union	10	137¼	136½	137½	136⅝	137¼	104
INDUSTRIALS, UTILITIES, ETC.							
Abitibi Pulp, com.	..	37¼	37	37½	36	37½	2675
Do pref.	7	90	86	83¾	83¾	83¾	20
Ames Holaen pref	..	....	18	20	18½	19	20
Amer. Salesbook com.	..	....	11½	12	11	12	17
Do pref.	7	83	81½	83	82½	83	133
Asbestos Corporation com.	6	50	49¾	50	45	50	748
Do. pref.	7	74	....	74	74	74	20
Atlantic Sugar com	..	26		27½	24¾	24¾	1510
Barcelona Traction	..	7⅛	6⅞	7½	5½	7	6482
B. C. Fishing	..	....	26	27½	27	27½	40
British Empire Steel com	..	10	9	9¼	8½	9	316
Do first pref.	7	65	62	65	65	65	20
Do second pref.	..	22	21	24¼	21	21	206
Brompton Pulp	..	18	17⅞	18¾	17	17	2305
Bell Telephone	8	104½	....	106	104	104¼	712
Burt, F. N. com.	10	114	113½	114	113	114	125
Do pref.	7	....	113	114	114	114	5
Canada Bread com.	..	26½	26	26½	26	26	210
Do pref	7	....	90	90	90	90	10
Can. Car and Foundry com.	..	22	21	22	21⅛	22	330
Do pref.	..	50	....	50	50	50	117
Canada Cement com	6	57	55½	56	54¾	56	562
Do pref.	7	....	90	92½	90	91	96
Canada Steamships com	..	13¼	12½	13½	12¾	12¾	863
Do pref	7	36½	35½	40	36	36½	4517
Canada Converters	7	73	72	73½	70¼	73	584
Canada Cottons com	8	85	....	85½	83	85½	110
Do pref	6	80	77	80	77	79⅞	68
Brazilian	..	36⅜	36¼	38	33⅝	36½	21018
Can. Gen. Electric com	8	96	95½	96½	95½	96¼	522
Do pref	7	....	102	103	103	103	49
Can. Locomotice com.	8	80	....	74	74	74	1
Do pref.	7	84	....	83	80	83	30
Canadian Pacific Railway	10	140½	140	144	137	140	1380
Canadian Salt	8	75	....	74	74	74	22
City Dairy com	7+3	92	90	90	90	90	2
Do pref.	7	....	91	92	92	92	10
Consumers Gas	10	148	146	150	148	148	19
Detroit Railway	10	60	59⅞	60	54	60	1538
Dominion Bridge	4	65½	65	65½	63	65	1031
Dominion Canners com	..	28½	27	28	24¾	27	402
Do pref	7	77	....	76	76	76	11
Dominion Glass com	6	63¾	63½	64½	60½	63⅝	1585
Dominion Steel com.	..	23½	23	25½	23½	23½	175
Do pref	6	....	70	72	70⅝	72	95
Dominion Iron pref	7	....	64	63	63	63	10
Dominion Textile com	12	140	....	140	138¾	140	455
Duluth-Superior	..	19	17½	19½	19½	19½	25
Ford Motors	15	310	300	310	300	300	17
How. Smith Paper com	8	....	....	68	68	68	25
Do pref	8	88	86	88	86	86	40
Illinois Traction com	..	26	25	26	26	26	1
Do pref	6	81	78½	78½	78½	78½	15
Lake of Woods com	12	148½	147	152	148	148	271
Do pref	7	....	....	....	....	....	...
Laurentide Paper	6	78⅝	78½	79	77	79	1051
Lyall Construction	4	37½	37	37½	36	37	318
Macdonald, A.	..	12	11½	12¼	12	12	285
Mackay com.	6	85	84½	85	83¼	85	698
Do pref	4	....	64	64½	64½	64½	17
Maple Leaf Milling com.	12	133	131	132	123½	132	387
Do pref	7	....	98½	99	98	98½	136
Monarch Knitting pref	7	81	78	78	77	78	22
Montreal Cottons pref.	7	104¼	....	104	104	104	10
Montreal L. H. & Power Cons.	5	86½	86⅜	87	86	86½	1609
Montreal Telegraph	8	50	...	50	50	50	243
Montreal Tramways	10	144	....	144½	144	144	25
National Breweries com.	4	59½	59⅜	59¾	58	59½	11470
Ogilvie Flour com	12	....	190	200	190	200	140
Ontario Steel Products com	7	42	40	40¼	38½	40	280
Ottawa L. H. & Power	6	81½	81¼	81½	80	81½	185
Ottawa Traction	4+1	75	73½	73½	72½	73½	65
Penmans com	8	102	98	101½	100	101½	100
Do pref	6	....	85	86½	86½	86½	20
Porto Rico Railways com	4	35	30	30	29¾	30	30
Price Bros.	2	37	35	37	36½	37	155
Quebec Railway	..	22⅜	22	23⅞	22	22½	1300
Riordon Pulp com	..	6½	5½	6½	6	6	809
Rogers, Wm. com	..	47	....	46	45	46	25
Do pref	7	78	....	78	78	78	30
Shawinigan	7	106	105	106	105	105	253
Sherwin, Williams pref.	7	95	94	92	92	92	100
Spanish River Pulp com	7	69	67	70	68½	69	415
Do pref	7	81	80	84¼	80	84	1858
Steel of Canada com.	7	59½	59	61⅜	58	59	2060
Do pref	7	93	91	94	92¾	93	94
Toronto Railway	..	68	....	68½	64¾	67	1005
Tuckett Tobacco com	4	37	35	35	33	35	200
Do pref	7	82	....	80	78	78	16
Twin City com.	..	43	41	43	40	43	262
Wabasso Cotton	4	....	60	60	60	60	65

BRITISH COLUMBIA ELECTRIC RAILWAY

The twenty-fifth ordinary general meeting of the members of the British Columbia Electric Railway Company, Ltd., was held on Tuesday, Feb. 14th at the Liverpool-street Hotel, London, England. Mr. J. Davidson (Deputy-Chairman) presiding.

The Secretary (Mr. R. W. Bartlett, A.C.A.) having read the notice convening the meeting and the report of the auditors,

The Chairman said: Ladies and Gentlemen,—As the report and accounts have been in your hands for some time, may we take them as read? (Agreed.) Your Chairman, Mr. R. M. Horne-Payne, regrets that, owing to ill-health, he is unable to be present to-day, but he has sent me an interesting speech, which, with your permission, I will now read to you.

Mr. Horne-Payne's Statement

"We are pleased to be able to present to you a statement which shows that the revenue of the company for the year ended 30th June, 1921, has been well maintained, and which justifies us in recommending you to declare final dividends of £1 3s 8d per cent. on the Preferred Ordinary stock and £2 14s 2d per cent. on the Deferred Ordinary stock, both free of tax, making, with the interim dividends already paid, total dividends for the year of £4 13s 8d per cent. free of tax on the Preferred Ordinary stock, and £6 4s 2d per cent., free of tax, on the Deferred Ordinary stock.

"The revenue shown in the profit and loss account does not include any profit on exchange derived from the remittance of money from Vancouver to London, such profit being of an exceptional character. The rates of exchange were less favourable this year than last, and it is impossible to say how long we may derive any advantage from this source. The net profit on exchange has therefore been carried direct to the reserve fund.

"The gross earnings of your enterprise for the year under review show an increase of $824,259 as compared with the previous year. Unfortunately, this increase has been almost completely swallowed up in increased working costs, due mainly to increased wages granted in October, 1920, to increased cost of materials and to increased taxes, so that the net earnings have only gained to the extent of $43,929, or £9,057 12s 4d. Working expenses—wages and cost of material, but, I am afraid, not taxes—are now on the downward grade, but, as you know, working expenses have a habit of decreasing at a much less rapid rate than they increase. As a result of the recent arbitration a reduction in wages has been in force since 1st December last.

Record Gross Earnings

"The gross earnings of the enterprise, which exceeded $9,500,000, constitute a record in the history of the company. Their continued growth is to be attributed to a steady growth in the population and development of the territories served and to the energy and resourcefulness displayed by the management and staff in British Columbia.

"As illustrating the development of the territories seved the following figures will be of interest to you. In 1920-1921 we carried 71,065,275 passengers, as compared with 66, 411,030 in 1919-1920. In 1920-1921 we delivered 140,285,620 k.w. of electric energy for light and power, as compared with 120,173,919 k. w. the previous year. In 1920-21 45,770,600 cubit feet of gas were sold, as compared with 41,746,000 the previous year. The only department which has fallen backward slightly during the year is the freight department, where 412,534 tons were carried, as compared with 430,931 tons the previous year. This was due principally to the falling off in the volume of lumber and other building materials carried, and is, we believe, only a temporary setback.

"With regard to the other factor which has played such a large part in increasing the company's earnings —namely, the energy and resourcefulness of the management—I may mention that as a result of a continuous campaign of public education in the use of electricity and electrical appliances, of which the public have had the advantage, your company has benefited by the increase in the consumption of electric power arising from an increased consumption by individual users, as well as from an increase in the number of users, the number of meters connected having increased from 44,720 in 1914 to 64,190 in 1919-20 and 67,999 in 1920-21.

"While upon the subject of earnings I want to say a few words to show you that the net earnings which your company makes are not the result of high charges. They are due to the high standard of efficiency in which your plant and equipment is maintained, to consistently sound and cheap finance throughout its entire history, to constant and vigilant attention to every detail of the business, and last, but by no means least, to most economical and efficient management. I will give you convincing evidence in support of this statement.

Lowest Tramway Fares in Canada

"Firstly, the tramway fares charged by your company in Vancouver, Victoria, New Westminster and North Vancouver are, as you know, a flat 6 cents. In only two other cities in Canada—namely, Sarnia and Moose Jaw—are the fares so low as 6 cents, nd in no city are they lower.

"In the leading cities of Montreal, oronto and Winnipeg, which have uch larger populations than Vanuver, 7-cent fares are authorized d charged, while in such important ies as Regina, Calgary, Saskatoon, . John, N. B., and others fares are cents. We claim, therefore, that r fares are the lowest in Canada, d that prevailing conditions of operation are such that it will be impossible to operate a proper service, much less consider any extensions, unless the 6-cent fare in Vancouver, which has been the subject of so much discussion, is extended beyond the 1st July, 1922, to which date the present right to collect the same extends. During the early months of 1921 lengthy negotiations took place between the company and the Council of the City of Vancouver, at which more consideration than on the occasion of previous discussions was given and more appreciation shown by the majority of the council to the necessity of your company being allowed to collect fares and rates adequate to pay for efficient operation and permit a fair return on the capital employed. Owing to this attitude on the part of the council the negotiations reached such a stage that I had absolutely the best grounds for believing that an agreement had been reached satisfactory to the City of Vancouver. This agreement, while not everything that could have been desired, was an honest attempt to place the company in such a position that a reasonable measure of stability of revenue would have been assured and the credit of the company would have been placed upon such an established basis as would have enabled us in the future to raise on current terms any additional capital which might be necessary to enable us to continue the progressive policy which in the past has done so much to assist in the expansion of the commerce and industries of the cities of British Columbia which it serves. This agreement, however, negotiated after great labor and much ability, both on the part of your management and the members of the Council of the City of Vancouver, was not acceptable to the people of Vancouver, mainly, I am convinced, because it was not understood.

Lighting Rates

"Secondly, with regard to lighting rates, you are all well aware of the increases in electric light and power rates which have been imposed by companies throughout this country since the war. Not only has your company not increased its lighting rates, but since 1914 two reductions have been made, and the lighting rates charged in Vancouver are now nearly 23 per cent. below pre-war rates. I should think this constitutes a record among the cities of the world, and there are now only nine cities in Canada and the United States with a population of 50,000 or more which have lower lighting rates than those charged by your company.

"Thirdly, with regard to gas, the Vancouver and Victoria gas companies, owned by your company, and supplying gas to Vancouver and Victoria, are the only two companies in Canada which have neither increased their prices for gas since 1914 nor asked for an increase, although—

Coal prices have advanced 150 per cent.

Gas oil prices have advanced 350 per cent.

Labour prices have advanced 130 per cent.

"All other gas companies in Canada, with the exception of London, Ontario (where the right to charge an increased price was asked and refused), have increased their prices for gas, and in the United States between 1st July, 1917, and 1st March, 1921 no fewer than 876 gas companies were granted increases. Of these—

494 companies obtained increases twice

209 companies obtained increases 3 times.

50 companies obtained increases 4 times.

11 companies obtained increases 5 times.

"That your company has been able by the adoption of the most modern methods of production, to effect economies enabling us to avoid asking for an increase in price is due to the energy and resourcefulness of your managers and their assistants in Vancouver and Victoria, and I am sure that after hearing the record which I have just given you of what they have achieved you will appreciate their services as much as we do.

Current Year's Prospects

"Turning now to the prospects for the current year, notwithstanding the depression, which has been worldwide, and which has affected trade and industry generally, the indications from the returns which we have so far received are that our next financial year ending 30th June, 1922, should show satisfactory results.

"With the single exception of the doubt as to the fares which we may be permitted to collect in Vancouver after 1st July next, I see no uncertainty in the future of the company. Obviously, however, the degree of progress exhibited in our policy must be dictated by our ability to raise further capital, and to raise further capital is a practical impossibility unless and unitl our fares are stabilized in such manner as to enable us to forecast with reasonable certainty what our revenue will be. Until then we have no choice but to avoid capital expenditure.

"With regard to the increasing demand for power to which I have referred, I am glad to say that owing to our purchase, in 1920, of the undertaking of the Western Power Company of Canada, we have a present and potential supply of power sufficient to meet the requirements of the communities we serve for many years to come. A recent expert examination of our existing power plants indicates that for a relatively moderate capital expenditure, we may reasonably expect to add an additional 10,000 k. w. to the capacity of these plants. We are now erecting an additional unit in the Western Power Company of Canada which will give us a further 7,500 k. w. In addition to the foregoing, expert opinion also is that it should be possible for us to obtain as much as 80,000 h.p. from the development of the second power site owned by the Western Power Company of Canada.

"The management are actively considering plans to make available these water power resources, but the time at, and extent to, which development work can be undertaken will depend upon the growth of the demand for power and to a very great extent upon the encouragement which we receive to develop further resources. We must have such reasonable payment for the company's services as will enable us to be satisfied that there will be a fair return on any new capital outlays.

Water-Power Developments

"I should like to utter a word of warning on the subject of water-power developments generally. Arising out of the high prices of coal and fuel oil during the past few years, it has become fashionable to represent that, given a water power, you have only to develop it in order to turn it into a money earner. This is very far from being the truth. There are many water powers which from their nature and location, could not be developed to produce electric power so cheaply as it could be produced by steam plant, and there are many others which could be economically developed but which, if developed at the present time, would have no adequate market for the sale of the power produced for years to come, either because the communities within their reach are already fully provided from other sources or because there are insufficient population and manufactories within reach to take the quantity of power which it would be necessary to market to pay working costs and interest upon the capital employed. There is a danger that water-power development in Canada may, instead of keeping just ahead of demand, proceed too rapidly. If it does it will become a burden to the community instead of the immense advantage which it ought to be, and I therefore advise that when you are asked to provide capital for water-power developments you should make very sure before doing so that the power development proposed has a convenient market for its output within a reasonable distance, and that the power requirements of the communities to whom it is proposed to sell are not already fully provided.

Message to the People of Vancouver

"In conclusion, the message which we send to the people of Vancouver to-day is this: They know of what value our enterprise has been to them; they know the value of abundant electric power efficiently distributed to their manufactories and industries; they know the value of rapid and convenient transportation. It is for them to choose between having these services in the hands of a company able to work with ceaseless and unlimited energy for the advancement of the cities and districts it serves, or in the hands of a company the extension of which is restricted and crippled by lack of inducement and consequent shortage of capital. The choice lies with the people of Vancouver, not with us. If they choose the former alternative they must put it in our power to demonstrate to investors that we can with reasonable certainty rely on sufficient income to maintain our present interest and dividend payments and to pay 8 per cent. on all new capital raised, which is the rate now demanded in the money markets of the world by money for investment in sound public utility enterprises. The people of Vancouver can do this either by supporting our forthcoming application to be transferred from Provincial control to the control of the Dominion Railway Commission, or by simply granting us the right to charge a 6 cents fare for a period of ten or twelve years. We look to them for a wise decision."

Ladies and gentlemen, I beg to move: "That the balance-sheet as at June 30th, 1921, and revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. T. Blundell Brown seconded the resolution.

The chairman replied to a few questions, after which the resolution was put to the meeting and carried unanimously.

On the motion of the Chairman, seconded by Mr. Harold G. Brown, the dividends recommended were declared.

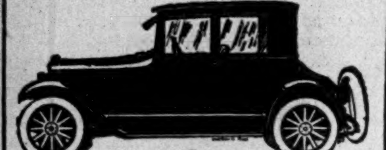
The retiring directors, Mr. R. M. Horne-Payne, Sir Ernest Harvey, K. B. E., and the Hon. Sir Frank Barnard K. C. M. G., were re-elected as were also the auditors, Messrs. Norton Slade and Co. (London) and Messrs. Helliwell Maclachlan and Co. (Vancouver).

Appreciation of the Management

Mr. G. P. Norton proposed a vote of thanks to the general manager and staff in British Columbia. In doing so, he said that in the staff which was carrying on the company's operations in British Columbia they had men of quite unique ability. They did their work in such a way that it was almost impossible to criticise their management. Every year the directors received a very elaborate report, in which every detail of the business was recorded, and having spent several hours in going through the statistics of the past year he came to the conclusion that everything had been done in the best possible manner. The general manager (Mr. George Kidd) was expected to arrive in Liverpool that day; in fact, he had hoped to be present at the meeting. However, in his absence he desired to say that Mr. Kidd had guided the company through all the difficulties which it had had to encounter during the war in a most admirable manner, and very much of its success was to be attributed to him and his supporters.

Sir Ernest Harvey seconded the vote, which was heartily accorded.

The proceedings then terminated.



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OTTAWA POWER CO. EARNED 9 P.C. ON ITS CAPITAL STOCK

Increase of $153,000 in Net Operating Revenue For 1921

OPERATING COST DOWN

Decrease of 5 Per Cent. Relative to Gross Earnings—Cut in Gas Consumption—Favorable Statement

From Our Own Correspondent

MONTREAL.—The annual statement of the Ottawa Light, Heat & Power Co. for the year ending December 31, 1921 bears out all the advance intimations that have appeared. Not only was the gross revenue nearly $200,000 in excess of 1920 but the net operating revenue showed an increase from $390,000 to $543,000, or $153,000. When in 1920 the net earnings amounted to 6.5 per cent. on the common stock the amount this year was 9 per cent.

This report is one more indication of the improved conditions under which public utility companies, including power companies, street railways, etc., have been operating during the past year and will be during the current year. The percentage of operating expenses to gross earnings was cut down from 73.2 in 1920 to 67.2 or a net gain of some 5 per cent. In regard to conditions the president, Thomas Ahearn, makes the following statement:

Operating conditions have shown some improvement. The downward trend in cost of labor and material has been reflected in greater net earnings. The unfavorable conditions that prevailed and affected our companies' operations in 1920 have fortunately not continued in marked degree during 1921. Coal has been plentiful. On the other hand, owing to the uncertainty of supply in the latter part of 1920 and the early part of 1921, we were obliged to replenish our depleted stores at prices higher than those now prevailing. The shortage of water, so severely felt during the winter of 1920-1921, was later relieved by heavy rains and thaws in the early part of this winter. Consequently, our steam auxiliary plant has been less used, although kept in constant readiness, and our auxiliary oil gas plant has been operated for five days only, early in the year.

Paid $129,000 in Taxes

"The taxes paid by the electric and gas companies for 1921 amounted to over $129,000.00 In this connection it should be noted that the companies' competitor, the municipal system, pays practically no taxes.

"Your directors continued through 1921 the policy followed during the previous year of making only such extensions as were absolutely necessary.

"The comparative statistics of installation, etc., are as follows:—

	Dec. 31 1921	Dec. 31 1920
Incan. Lights	637,618	603,000
H.P. in Motrs	17,431	17,000
Meters Ins. Elec.	21,313	21,000
Gas Prod., cu. ft.	498,935,000	516,000,000

In referring to the decrease shown in the demand for gas the president states that this condition was general throughout Canada owing largely to the decrease in manufacturing.

The following is a comparison of revenue and expenditure for the past two years.

Profit and Loss Account

	1921	1920
Gross revenue	$1,652,051	$1,459,308
Op. expenses	1,108,673	1,068,888
Net op. revenue	$ 543,377	$ 390,419
Interest charges	223,115	161,719
Net earnings	$ 320,261	$ 228,699
Common dividend	210,000	210,000
Surplus	$ 110,261	$ 18,699

The balance sheet shows property taken in at $8,435,046 an increase of $172,000. As a rule the various items in the working capital account show little change from last year. These are as follows:

Working Capital Account

Current assets	1921	1920
Stores	154,988	198,537
Supplies	176,607	142,092
Receivables	427,564	431,583
	$759,159	$772,212
Current Liab.		
Acc. pay. "Banks"	306,287	156,670
Acc. pay "Trade"	91,088	213,117
	$397,375	$369,787
Bal. work cap.	$361,784	$402,425

HOLLINGER TO BE LARGEST IN WORLD

The annual report of the Hollinger Mines refers to a new high record in the production of gold ore. The production of 1,072,493 tons not only stands as a new high record in production for Canadian mines, but comes within 11,000 tons of the highest record made by a private company in South Africa.

The president of the company, Noah A. Timmins, stated to THE FINANCIAL POST this week that the South African record would have been easily broken in 1921 had it not been for scarcity of power in the first three months of the year, which held down production very materially. Mr. Timmins is confident that Hollinger's record for 1922 will establish a new high point for a private mine. There is, it appears, a Government area in South Africa that has a production slightly higher than Hollinger or the other mine but plans are under way for increasing Hollinger's production to nearly 2,000,000 tons per annum which will enable it to out-distance greatly the nearest competitor.

A HARD YEAR ON BIG INDUSTRIALS

Losses of Hundreds of Millions Indicated in the Annual Reports

Losses of hundreds of millions were reported by industrial companies last year, it was about the worst year in history, says the Wall Street Journal.

Many industrial companies made huge profits during the war, but these profits and more besides, in some cases, were wiped out in 1921, largely as a result of shrinking inventories.

Industry was further handicapped by a sharp contraction in consumption, which made it impossible to work off inventories into finished material. Industry is now in the transition period. Inventories have been marked down to the bone and events point to a slow recovery all around.

The current year is not going to establish any new high records in earnings, but it will be a period of recovery, and before January 1, 1923, industry will be closer to normalcy than at any time since the first of last year.

TELEPHONE CO. MAY ISSUE $20,000,000

Increase from $50,000,000 to $75,000,000 of Capital Authorized by Shareholders for Extensions

From Our Own Correspondent

MONTREAL.—The chief item of business at the annual meeting of the Bell Telephone Company, was the granting by the shareholders of authority to the directors to increase the capital stock of the company from $50,000,000 to $75,000,000. The company is increasing its business so rapidly and to such an extent that it thought best to secure the requisite authority for the issuing of stock for the purpose of financing extensions at such times as they were required. At the present time there remains in the treasury apart from the new amount authorized, a balance of 31,820 shares which completed the number which the shareholders had authorized to be issued on previous occasions. It seems probable that a new issue of stock will be made shortly as the company requires the capital to enable it to handle pressing new business. The last stock issue was offered to shareholders at par. In connection with the new issue the president, L. B. McFarlane, made the following statement to the shareholders:

"The question of our exchange rates is still before the Commission, Adjustments will, we hope, be accomplished at an early date and irregularities in these rates smoothed out. In this connection it may be noted that the maximum charge for business service at Montreal and Toronto is much lower than other points in Canada with less population, such as Winnipeg, Vancouver, St. John and Halifax.

"It is realized by all that telephone charges must cover the cost of rendering service, and leave a profit which compares favorably with returns from other branches of industry.

"To deny reasonable earnings to a public service corporation imperils its existence, and is a handicap to general business.

"Whatever limitations may be finally imposed by the regulatory body on our earning powers, we must inevitably be allowed to earn enough to enlist new capital for expansion.

"When the difficulties in the matter of these rates are cleared away, the steady improvement, as shown by the figures presented, should be favorably reflected and greater progress than ever may be anticipated.

"The complexity of the telephone business has greatly increased, and a high type of skilled, well-paid help must be used to furnish the class of service now demanded by our customers. Employees are entitled to good wages and good working conditions. During war-time they were about the last to benefit by increases, and the per cent. of increase was small compared to other industries. Any changes in the wage scale can only be made gradually.

"The high development in our territory of telephones to population—we have now over 400,000 in operation, over which three million local and thirty-one thousand Long Distance calls per day are handled—should be an endorsation of the quality of the service, policy and reasonableness of this Company's rates.

"The outlook for the future is promising, and from now on there should be progressive improvement."

HERCULES RUBBER COMPANY

The shareholders of the Hercules Rubber Company have been given until March 1, to repurchase the assets of the company from the trustee and inspectors, who are at present operating the factory. One hundred and forty stockholders met to consider the report of the committee, which was appointed two weeks ago. It is understood that several offers have been made, as the business is exceptionally good at present, but the shareholders will be given first chance to buy.

HYLAND-KIRKLAND

One of the largest properties in the Kirkland Lake field, has been sold to Canadian and British interests. The details of the transaction are withheld, with the exception that practically the whole of the original capitalization of $100,000 changed hands under the new arrangement. This will give plenty of money for development work in this field. Already arrangements to commence exploration work by the use of diamond drills have been made. Surface exploration will be carried out as soon as weather permits. This property is 56[illegible] acres in extent, and lies immediately South of the Hunto Kirkland claims.

U. S. IS IMPORTING LESS NEWSPRINT FROM EUROPE

Canadian Makers Supplied 80 Per Cent. of Total in December

PULP MOVING BETTER

Heavy Advance in Sulphate—Improvement in Sulphite—Federal Commission Figures

From Our Own Correspondent

MONTREAL.—As the months go by indications of an increase in the competition of European newsprint with Canadian mills for the United States market are by no means convincing. For months past, and indeed practically for the whole of the year 1921, a certain group of publishers in the United States had been making claims for an almost unlimited supply of foreign paper, from Germany and Scandinavia, which was to take the place of Canadian and domestic supplies in case the mills over here did not respond by heavy cuts in prices. For some reason or other in spite of the advantage of exchange in their favor, these European countries have not been increasing their shipments to the United States, and latterly Canadian shipments have been increasing. Months ago in these columns the opinion was expressed that the so-called German "menace" was practically non-existent, and figures issued by the Federal Trade Commission of the United States bear out this view.

A report just received from Washington covering the month of December, 1921, shows a very much smaller quantity brought in from Europe during the month of December than in December 1920. The total imports of newsprint into the States in December, 1921 were 79,637 tons, or 2,000 tons less than the imports in December, 1920, when they were 81,789 tons. This might imply that the imports from Canada were less, but on the contrary they were 4,670 tons greater, being 62,945 as against 58,275. In other words Canada supplied nearly 80 per cent. of the United States imports of newsprint in December, as compared with 71 per cent. for that month in 1920. Or, putting it another way, European exports to the United States in December represented only 20 per cent. where one year before they were ly 29 per cent.

The improvement in the pulp market for Canadian mills shows its basis in the figures of the Federal Trade Commission. The imports of Chemical pulp were 117,069 tons in December compared with 53,008 one year ago. Sulphate increased from 16,500 to nearly 41,500, a type of pulp that is exported from Canada by Wayagamack and Brompton companies. The export of bleacher sulphite increased from 13,240 to 17,825 tons. This is the kind of pulp sent out by the Riordon Co., Whalen and Fraser Companies.

U.S. Imports of Newsprint.

	Dec. 1921	Dec. 1920
From Canada	62,945	58,275
From Denmark	211	328
From Sweden	9,635	5,268
From Finland	2,166	2,797
From Germany	2,220	14,206
From Norway	2,430	840
From other countries	30	75
Total imports, tons	79,637	81,789

U.S. Imports of Pulp

	Dec. 1921	Dec. 1920
Imports of ground wood pulp	28,498	22,299
Unbleached sulphite	57,723	23,218
Bleached sulphite	17,825	13,240
Unbleached sulphate	40,049	15,952
Bleached sulphate	1,472	598
Total chemical pulp, tons	117,069	53,008

The latest slump came in German news which a year ago was 14,206 tons but this last December only 2,220. Sweden showed an increase of a little over 4,000 tons and Norway an increase of about 1,600, while Finland dropped over 600 tons.

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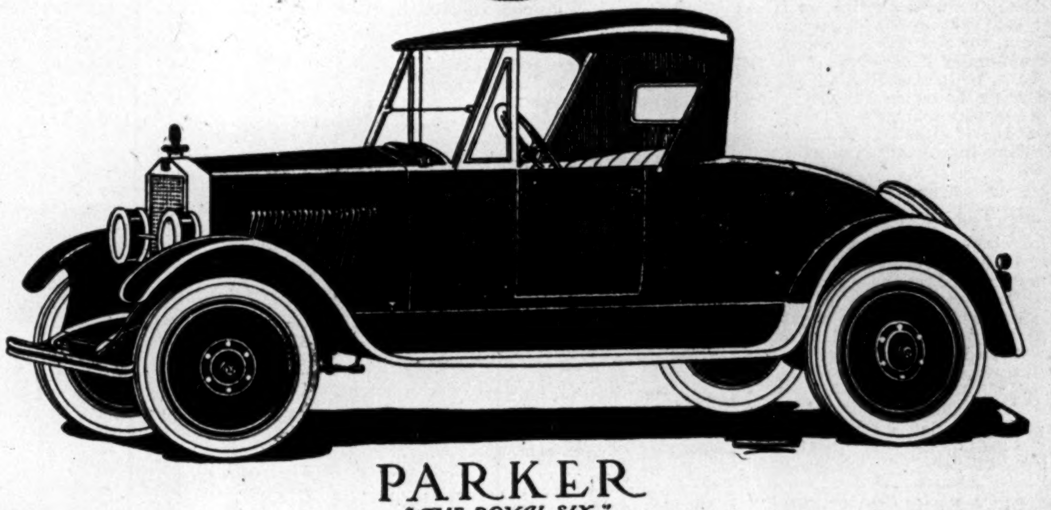

PARKER
"THE ROYAL SIX"
MODEL 6-70
2-PASSENGER ROADSTER

NEW RECORD OF PRODUCTION BY HOLLINGER LTD.

Net Profits Were Increased Fifty Per Cent. to $4,026,927

AVERAGE VALUE $9.67

President Sees No Increase of Dividends in Near Future Thirteen One Per Cent. Dividends Paid

In the face of discouraging operating conditions, in the earlier months of the year and the inadequate power supply throughout the whole year of 1921, the Hollinger Consolidated Gold Mines, Ltd., reports the largest production of gold and silver and the highest rate of earnings in its history. The recent market activity of Hollinger has established it as one of the leading gold-producing mines of the world.

The production record, which is the largest ever experienced, stands at $10,031,050 as compared with $6,939,628 of the previous year. The total income of the year, including $283,464 derived from investments amounted to $10,314,515 as against $7,162,611 for 1920.

Operating charges, despite the improved labor situation are ahead of last year, due largely to extended operations and amounted to $5,222,855, as compared with $3,144,328. Operating profits have increased from $3,840,482 to $5,091,659. Out of this, the sum of $429,885 was taken in provision for taxes and $634,842 for depreciation as against $445,985 for 1920. Thirteen dividends were paid during the year at 1 per cent. each, which totalled $3,198,000 in comparison with $2,214,000 during 1920. The balance of $828,927 was carried over to the surplus fund.

	1921	1920
Production	$10,031,050	$6,939,628
Other receipts	283,464	222,982
Total Income	10,314,515	7,162,611
Charges	5,222,855	3,144,328
Operating profit	5,091,659	4,018,282
Taxes	429,889	225,940
Depreciation	634,842	445,985
Written off	627,[illegible]	[illegible]
Donations	3,802	1,959
Net profit	4,026,927	2,675,274
Dividends	3,198,000	2,214,000
Surplus for year	828,927	461,274
Prev. balance	3,131,851	2,670,577
Surplus	$3,960,778	$3,131,851

The supply of labor was plentiful and of increased efficiency throughout the year. The average number of men employed was 1,582, as against 1,025 of the previous year. Drifting and cross-cutting continued throughout the year at such a rate, as will take care of all immediate requirements. This means that sufficient ore will be maintained in the reserves as to insure a supply for three and a half years, at the present rate of milling. The average value per ton of ore milled was $9.67 compared with $9.56 and $9.40 for the past two years. The total amount of ore milled was 1,072,493 tons.

Dividend Outlook

President N. A. Timmins stated that the company's policy of paying dividends as often as the financial position of the company would permit was continued. During the year 13 dividends of 1 per cent. were paid. He continued as follows:

"We regret that we cannot promise any increase in the dividend rate until we are assured of an adequate supply of electrical energy. The development of the Long Sault water power or any other water power, or the installation of oil or gas engines to provide the necessary supply will involve the expenditure of a very large sum of money and this expenditure must be made, before we can carry out our plans for increasing the capacity of the mill, which has now reached its maximum of about four thousand tons per day. Shareholders are again reminded that every dividend paid, represents a certain amount of capital and should be so treated. It makes no difference wnether payments to shareholders in a mining company are made as dividends or as a return of capital because every such payment diminishes to that extent the capital value of the property from which ore is taken to provide the dividend or capital return."

The current assets have increased from $5,206,257 to $6,042,794. The bullion assets increased from $283,131 to $553,265 and the capital assets declined from $22,690,246 to $22,550,468. The ore reserves show a decline from $41,719,670 to $36,644,154, this being due to the curtailed power.

The Company's property has been augmented by the construction on the Jerome addition to the Town of Timmins of one hundred and fifty employees' cottages. This work involved a further expenditure for clearing the land, the laying of water service and sewers, streets and electric lighting equipment.

At No. 11 shaft, a large and very complete change house to accommodate eight hundred additional miners has been built and is in use, also the old change house at the main shaft has been replaced by a similar building to serve six hundred underground men. These are light, warm and dry. The equipment comprises, individual steel lockers, wash basins, showers and modern sanitary conveniences. A new building to centralize drill sharpening, and tempering has also been completed with an equipment capable of handling nine thousand drills per day.

In the mine the only item worthy of particular mention is the discovery of a new vein on the 200 foot level. It is numbered 92 and is of good grade and width. The rest of the ore bodies have maintained their value and size.

Canadian Shade Company $100,000 Issue of Stock

New developments in the business of the W. C. Hunt Manufacturing Company of Toronto have necessitated the formation of a new company, the Canadian Shade Company, with a capital of $200,000. An offering of $100,000 of 8% preferred stock is now being made to provide capital for expansion.

The company manufactures ornamental brass and iron and electric fixtures. It will also manufacture parchment shades and advertising lamps under processes patented in Canada and the United States by W. C. Hunt. president of the company.

The stock offering is made by Regent Securities Corporation.

HAS STOCK EXCHANGE SUFFICIENT POWER?

Suggestion That it Supervise Operations of Members—Some Objections Raised

From Our Own Correspondent

MONTREAL.—The failure this week of the brokerage firm of Tousaw, Hart & Anderson, members of the Montreal Stock Exchange has stirred up a discussion on the Street as to whether the stock exchange as constituted in Montreal, and in Toronto, as an incorporated body has sufficient powers to curb any improper tendencies that might develop among a few brokers. As the Chairman of the Exchange points out the Exchange has authority over its members only in regard to the "floor" business. In the case of New York there is authority to conduct an examination where any wrongful practices are suspected.

In a statement this week one of the partners of the firm of O'Brien & Williams urged some measure by the stock exchange that would result in better protection for clients. The auditing of the books by a high class form of auditor was urged.

"I do not suppose that failures can be entirely avoided, but much can be done to assist in preventing them, and I endorse the view that the Stock Exchange should take action. The public is entitled to every protective measure that it is possible to afford.

"The Stock Exchange is an incorporated [illegible] and as such, apparently has no control over the actions of its members away from the floor of the Exchange. What I think we need is an Association of Stock Exchange members, such as the New York Stock Exchange, which will afford not only the safeguards we had at present, but regulations that will apply to the inner workingsc of the various offices.

"Not only should the auditors check over securities, but should be empowered to criticize amounts, which, in their opinion, are insufficiently margined. The Exchange should also govern the extent and character of speculative commitments made by the firms and members of firms, and incidentally the auditors should, every three months, make up the clients' statements and mail the statements from their own offices. Had these simple regulations been in force, I think that most of the Stock Exchange failures would have been avoided. The vast majority of Stock Exchange members are a fine body of honest, upright men and are being much maligned in current Street criticism. I think they owe it to themselves to see that all their associates are obliged to conform to regulations that they themselves have always observed. In doing this they will also be protected from the efforts of dishonest employees.

"One of the biggest corporations in Canada, which at times, is a large lender of call money on the Street has adopted the rule that no more money will be loaned to brokers who do not have their books audited by a reliable concern. This is an innovation that will likely become more popular among the lenders of money and is certainly one that should appeal to the sense of justice of the brokers themselves."

Another broker speaking to THE FINANCIAL POST said he very much doubted whether any supervision by the exchange could have prevented one of these failures. He recognized the necessity for public confidence in the members of the exchange but doubted the possibility of allowing information about individual firms, their condition, the stocks they held, etc., being divulged to other members, even where an independent audit was made. In New York, he pointed out there were 1,100 members, and the examination of books of any one firm was not generally known nor were the same objections possible as in a comparatively small place and with small membership where affairs of one firm could easily become public property.

Reference has been made in connection with failures to "short" selling as a method of "hedging" in a long decline, where losses on stocks held have become heavy. In New York this is permissible, but no broker is allowed to sell his client's stock: he must go out and borrow the stock in the ordinary way. The question is not likely to be threshed out for some time to come.

HUNTER-KIRKLAND

The shareholders of the Hunter Kirkland Gold Mines, at a meeting this week defeated the proposed merger of the Hunter with two other groups of claims, the Duncan and Slaght-Solomon. It was proposed that the manager would incorporate a new company with 3,000,000 shares and to allot 1,000,000 to the Hunter, with 410,000 to the Duncan and 90,000 to the Slaght-Solomon. This would leave 1,500,000 shares in the treasury, to finance the deal and to provide funds for development work. However, it developed that the large holders of stock were against paying so much for the Duncan claims. It is not known as yet whether the Duncan interests will accept a lower allotment or not.

B. C. ELECTRIC IS SEEKING RIGHT TO A FAIR INCOME

Would Have Control Changed to Dominion Railway Board

ON HIGHER FARES

Chairman of Company Explains Issue Lies With Public and Service Depends on Answer

From Our Own Correspondent

VANCOUVER.—Confidence in the future and willingness to extend its services to meet the public's reasonable requirements are expressed in the annual report of R. M. Horne-Payne, chairman of the board of directors of the British Columbia Electric Railway.

The annual meeting of the company was held in London on February 14, and while detailed information has not yet been received here, it is indicated that the dividends declared are the same as last year, namely £1 3s on the preferred ordinary stock and £2 14s on the deferred ordinary stock, both free of tax, making, with the interim dividends already paid, total dividends for the year of £6 4s free of tax on the deferred ordinary stock.

The company is now making application for a charter that will place it under the control of the Dominion Board of Railway Commissioners and free it from the jurisdiction of municipalities. The municipalities are fighting this move. Referring to this matter Mr. Horne-Payne says:

"The choice lies with the people of Vancouver, not with us. If they choose the former alternative, they must put it in our power to demonstrate to investors that we can, with reasonable certainty, rely on sufficient income to maintain our present interest and dividend payments and to pay 8 per cent. on all new capital raised, which is the rate now demanded in the money markets of the world on money for investment in sound public utility enterprises.

"The people of Vancouver can do this either by supporting our forthcoming application to be transferred from provincial control to the control of the Dominion Railway Commission, or by simply granting us the right to charge a 6 cent fare for a period of 10 to 12 years. We look to them for a wise decision.

"With the single exception of the doubt as to the fares which we may be permitted to collect in Vancouver after July 1 next, I see no uncertainty in the future of the company. Obviously, however, the degree of progress exhibited in our policy must be dictated by our ability to raise further capital is a practical impossibility unless and until our fares are stabilized in such a manner as to enable us to forecast with reasonable certainty what our revenue will be. Until then we have no choice but to avoid altogether capital expenditure.

"With regard to the increasing demand for power to which I have referred, I am glad to say that, owing to our purchase, in 1920, of the undertaking of the Western Power Co. of Canada, we have a present and potential supply of power sufficient to meet the requirements of the communities we serve for many years to come. A recent expert examination of our existing power plants indicates that or a relatively moderate capital expenditure we may reasonably expect to add an additional 10,000 k. w. to the capacity of these plants.

"We are now erecting an additional unit in the Western Power Co. of Canada which will give us a further 7,500 k. w. In addition to the foregoing, expert opinion also is that it should be possible for us to obtain as much as 80,000 h. p. from the development of the second power site owned by the Western Power Co. of Canada.

"The management is actively considering plans to make available these water-power resources, but the extent and the time at which development work will be undertaken will depend upon the growth of the demand for power and to a very great extent upon the encouragement which we receive to develop further resources. We must have such reasonable payment for the company's services as will enable us to be satisfied that there will be a fair return on any new capital outlays."

English corporation in which Lord Cowdray is associated plans construction of 31,000 horse-power electric plant on San Pedro River, State of Tabasco, Mexico.

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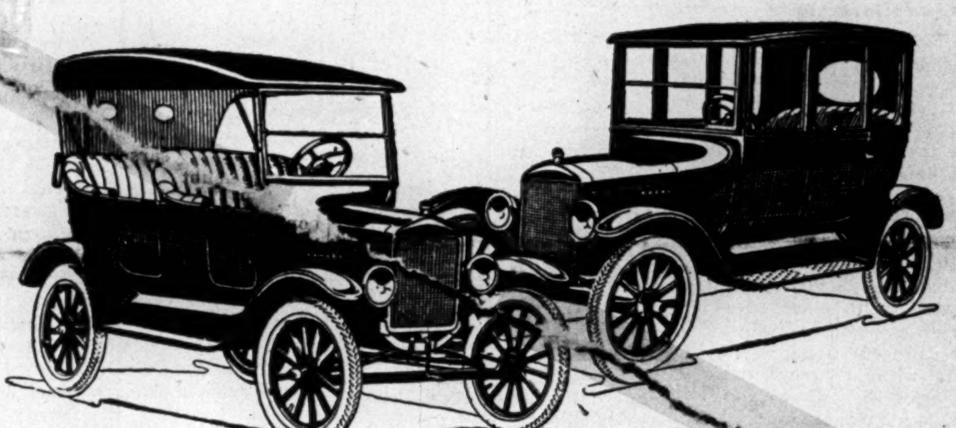
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MONEY BANKING AND EXCHANGE

CANADA BANKS MAY BE ABLE TO TAKE DEPOSITS

Regulations Affecting New York Branches May be Changed

From Our Own Correspondent

NEW YORK.—The announcement from Paris that the French Government plans to impose on branches of foreign banks in Paris restrictions which will duplicate restrictions imposed on French banks in other parts of the world, has driven officials of the National City Bank and the Guaranty Trust Company, to express their entire willingness to grant the right to foreign banks to accept deposits in the United States.

In view of the fact that the National City Bank, the Guaranty Trust Company, Munroe & Co., Lazard Freres, and Morgan & Co., all have Paris offices, it is easily seen why most of these banks at least are in favor of easier conditions here for the foreign banks.

It is said that legislation may shortly be introduced at Albany to permit foreign banks with offices in New York State not only to accept deposits, but to engage in other banking activities (such as the discounting of commercial paper) which are denied them under the law as it is. Such legislation will apparently be much the same as that introduced last year. If it is, and there is every reason to believe that it will be, there seems small chance of it becoming law, if its supporters depend upon the foreign banks operating in New York for support. For their attitude toward the proposed legislation will undoubtedly be the same as it was last year. For a number of reasons the foreign banks operating in New York City, (and this includes the Canadian banks,) have refused to accept the right to transact a broader banking business on the terms offered by the Albany legislators.

Would Have to Incorporate

They apparently regard the conditions which now prevail, so far as they are concerned, as more favorable to them than those which would exist if the proposed law were adopted. For while they would be permitted to accept deposits and possibly to do a commercial discount business, they would be compelled to incorporate as state banks, deposit at least $100,000 in securities with the state banking department and subject themselves to close supervision by the state banking authorities. Under present conditions they can operate without tying up a large portion of their capital in securities to be held at Albany and do not have to subject their books [illegible] close examination on the [illegible] of the New York banking [illegible]mmissioner. The capital they [illegible] is more fluid than it would be under the proposed new conditions and their methods of doing business and making money are not periodically subjected to the scrutiny of outside interests.

Then under present conditions they are inclined to believe that their taxes are lighter than they would be if they consented in effect to make over their New York offices into New York state banks.

VERE BROWN HEADS MORRIS PLAN BANKS

From Our Own Correspondent

NEW YORK.—With the election of Vere Brown, vice-president and general manager of the Industrial Finance Corporation, another Canadian bank man becomes the executive head of an American banking institution. For the Industrial Finance Corporation is the organization which owns and operates the so-called Morris Plan banks. These banks lend money to wage earners, salaried individuals and business houses not possessing the necessary collateral to negotiate loans through the usual channels. The Morris Plan was originated by Arthur J. Morris, one of the directors of the Industrial Finance Corporation. There are now over one hundred Morris Plan banks in the United States.

After severing his connection with the Canadian Bank of Commerce, Mr. Brown, was one of the executive managers of the National City Bank, until the board of management was abolished when president Mitchell, the present head of the bank took charge.

It is believed here that Mr. Brown's extensive experience as a head office official of the Canadian Bank of Commerce had much to do with his election to his new position. In some respects his work will be somewhat similar to that of a Canadian head office official supervising the operations of a number of branches.

The Industrial Finance Corporation has total assets of over eleven million dollars and was until recently headed by Col. Coleman du Pont. Col. du Pont on his election to the United States Sentate resigned the position which Mr. Brown now occupies.

CONDITIONS AFFECT WEYBURN BANK

An Increase in Current Loans But Some Decline in Profits

In view of the conditions which have prevailed in Western Canada, some decline in the profits of the Weyburn Security Bank was to be anticipated. However, the net earnings of $46,638 were sufficient for a didend of 7 per cent., requiring $36,719, to allow $2,782 written off bank fixtures, provide $4,289 for taxes on circulation and leave a balance to be carried forward which increased the total from $14,306 to $16,144. The earnings on capital were 8.9 per cent. as compared with 10 per cent. in 1920 and 13 per cent. in 1919. The following are comparative figures from the profit and loss account:

	1921	1920	1919
Bal. forward	$14,306	*$7,249	$5,457
Net profits	46,628	50,493	62,221
	$60,934	$57,742	$67,678
Dividends	36,719	35,113	33,506
Bank fixtures	3,782	3,598	4,950
Tax on cir.	4,289	4,725	4,407
Reserves	.....	.....	10,000
Profits tax	.....	.....	6,269
Balance	16,144	14,306	8,546
	$60,934	$57,742	$67,678
Earn. on capital	8.9	10.0	13.0

*Less Income war tax, year 1919.

Differing from the reports of many of the banks with industrial interests in Eastern Canada, the balance sheet shows current loans at $2,054,160, which is an increase of $89,732. However, with a decline in demand deposit of $266,805 and in advances from the Dominion Government of $197,996 there was an increase in total assets of $424,991. To meet these changes as well as the increase in current loans the bank balances were reduced by $144,018 and holdings of public securities by $219,098. These are the important changes indicated in the following comparative summary:

Immediately Available Liquid Assets	1921	1920	Change.
Specie	$16,232	$17,513—	$1,281
Dom. notes	124,543	165,560—	41,017
Note cir. dep.	22,862	22,196+	666
Notes, bk.	21,734	19,106+	2,628
Bank bal.	578,515	722,533—	144,018
Do., ab'd	52,014	92,642—	40,628
Gov. secs.	260,115	277,961—	17,846
Cheques	25,885	35,696—	9,811
	$1,101,900	$1,353,207—	$251,307
% Total assets	30.8	33.8—	3.0
% Total Liabilities to Public	39.3	42.0—	2.7
Other Assets			
Pub. secs	$34,367	$253,465—	$219,098
Mun. loans	57,643	95,557—	37,914
Current	2,054,160	1,964,428+	89,732
Over. debts	9,081	19,379—	10,[illegible]
Real estate	27,120	24,397+	[illegible],298
Mortgages	24,817	19,7[illegible]	2,723
Premises	204,220	2[illegible]37+	5,080
Other assets	70,8[illegible]	[illegible]3,271+	949
	[illegible]864	75,727—	4,863
	$2,482,272	$2,655,955	$173,683
Total assets	$3,584,172	$4,009,163—	$424,991
Liabilities to Public			
Circulation	$433,197—	$430,490+	$2,707
Dem. deposits	904,298	1,171,103—	266,805
Savings	1,229,716	1,217,933+	11,783
Due banks	33,884	29,245+	4,639
Due Dom. Govt.	163,846	361,842—	197,996
Due Prov. Govt.	22,845	10,922+	11,853
Other liab.	12,322	5,333+	6,989
	$2,800,108	$3,226,938—	$426,830
To Shareholders			
Capital	$524,560	$524,560	......
Reserve	225,000	225,000	......
Dividends	18,360	18,359+	1
Balance	16,144	14,306+	1,838
	$784,064	$782,225+	$1,839
Total liab.	$3,584,172	$4,009,163—	$424,991

Weekly Bank Clearings

In comparison with same week last year

EASTERN CITIES

	Feb. 23, 1922	Change	%
Halifax	$ 2,538,408—	$1,352,088	34.8
St. John	2,390,986—	261,080	9.8
Moncton	933,162—	1,027,433	52.4
Quebec	4,431,951—	1,147,474	20.5
Sherbrooke	742,011—	177,859	19.2
Montreal	83,476,080—	22,010,092	20.8
Ottawa	5,339,348—	793,017	12.9
Peterboro	585,013—	182,912	23.7
Toronto	86,212,358—	16,178,700	15.8
Hamilton	4,950,375—	102,584	2.0
Brantford	865,915—	122,981	12.4
London	2,484,423—	63,286	2.4
Total East	$194,950,050—	$43,419,508	18.2
Kitchener	913,901	....	....

WESTERN CITIES

	Feb. 23, 1922	Change	%
Winnipeg	$46,298,325+	$ 8,769,822	23.3
Brandon	467,449—	227,433	32.7
Regina	2,343,076—	715,898	23.3
Moose Jaw	1,153,140—	10,892	.8
Saskatoon	1,379,234—	205,33	12.9
Pr. Albert	283,318—	67,699	19.1
Lethbridge	393,090—	69,212	14.9
Med. Hat	311,457—	51,879	14.0
Calgary	4,762,955—	1,324,495	21.7
Edmonton	3,524,147—	1,330,633	27.4
New Westminster	500,928+	79,102	18.7
Vancouver	12,083,618—	936,286	7.1
Victoria	1,952,952—	317,312	14.
Ft. William	639,701—	164,087	20.4
Total West	$76,093,385+	$3,427,446	4.3
Grand Total	$201,043,435—	$39,992,062	16.5
Yr. to date	$2,332,818,426—	$293,299,573	11.1

ONTARIO LEADS IN MINES

The annual production of the mines of Canada, by provinces, has been given out by the Dominion Bureau of Statistics at Ottawa. The province of Ontario is shown to be the largest producer and the relation to the other is in the table below:

Mineral output of Ontario	$54,505,770
Do British Columbia	35,000,000
Do Nova Scotia	32,500,000
Do Alberta	29,000,000
Do Quebec	14,000,000

Manitoba, Yukon Territory, New Brunswick and Saskatchewan followed in the order named, with production between one and two million dollars each.

MORE FAVORABLE BALANCE OF TRADE AFFECTS STERLING

New High of $4.44 Reached—Canadian Funds in Strongest Position

The basis of the present upward swing in Sterling and the other European currency is to be found in several causes, but chiefly the regaining of international commerce to the relative proportions, which prevailed before the war and the gradual internal improvement in the European nations.

During 1921, Britain's export trade made great advances, creating credits in nearly every country of the world. On the other hand the exports of the United States fell off nearly 24 per cent. in quantity and over 50 per cent in value as compared with 1920. This meant that far less money was going to the United States, while a large amount of credit was due to the London bankers from their commercial transactions in various parts of the world.

Great Britain's exports for March amounted to £63,000,000, the highest figure since the war, except for March 1921, when this figure was exceeded by about £3,000,000. In this way Englands unfavourable trade balance is fast disappearing and her re-export trade is making decided advances. The large gold shipments to the United States, from the London market, which have been under way since the latter half of 1920, have also contributed the strong undertone to the sterling market. During the above period the total gold shipments to the United States from all parts of the world totalled $1,041,389,000.

With the return of Sterling to more nearly normal levels the entire European list moves up. Swiss and Swedish exchanges have reached par in the past few weeks and Holland and Denmark are reaching levels approaching par. The general feeling in Europe is decidedly more confident and this in itself has a firming [illegible] fect regardless of actual co[illegible]mercial basis.

Lloyd George's an[illegible]nouncement of a proposed 20 ye[illegible] peace for Europe has no [illegible] had a strengthening effect [illegible] rise in the market for [illegible]nds for which European States have floated in New York during the last two or three years, have advanced to the highest point on record. There never was a time during the hundred years prior to 1914, when a great advance of Government bonds in a foreign market was not accepted as that markets judgement of the country's financial and political position.

Canadian funds reached their strongest position since the fixed exchange was imposed. This strengthening was due in part to the inflow of Canadian internal bonds from American investors, that have been held there for some time. Rumors of extensive federal financing, to be carried out in the United States in the Autumn have had their effect.

NEW YORK FUNDS

Feb. 23—Further weakness was experienced, fluctuated between 2 9-16 and 2 5-16.

Feb. 24—Opened at 2 9-16 closed at 2 11-16.

Feb. 25—Subsided towards par closed at new record of 2 3-16.

Feb. 27—Exceptionally weak, opened at 1 7-8, closed at 2 1-16.

Feb. 28—Close at 2 represents decline on day of 1-16.

March 1—Opened at 1 15-16, closing at 2 1-16, net gain, 1-16.

STERLING AND FRANCS

	Demand	Cables	Demand	Cables
Feb. 23—	$4.40¾	$4.41½	10.91	10.93
Feb. 24—	4.39⅜	4.40⅛	11.00	10.02
Feb. 25—	4.41⅝	4.42⅜	11.23	11.25
Feb. 27—	4.42⅞	4.43¾	10.89	11.91
Feb. 28—	4.43½	4.44¼	10.93	10.95
Mar. 1—	4.42¼	4.43	10.85	10.87

Monthly Bank Clearings

(In comparison with same month last year)

EASTERN CITIES

	February 1922	Change	%
Toronto	$355,870,256—	$53,032,079	12.9
Montreal	371,533,806—	51,406,993	12.?
Ottawa	23,815,290—	6,072,928	20.?
Quebec	19,652,048—	3,503,829	15.?
Hamilton	19,023,565—	2,938,685	13.?
Halifax	11,820,337—	1,700,347	12.5
St. John	9,917,219—	924,020	8.5
Windsor	11,678,540+	391,346	3.4
London	10,590,722—	829,461	7.2
Brantford	3,745,715—	1,159,784	23.6
Sherbrooke	3,299,440—	994,006	23.1
Kitchener	3,658,260+	186,250	5.0
Moncton	3,576,306—	801,213	18.?
Peterboro	2,520,819—	858,171	25.4
Total East	$850,742,323—	$123,643,820	12.6
Kingston	2,469,575	....	....

WESTERN CITIES

	February, 1922	Change	%
Winnipeg	$174,296,090—	$1,596,463	.9
Vancouver	49,721,093—	3,497,861	6.5
Calgary	18,870,665—	5,920,160	23.9
Edmonton	15,915,552—	2,587,685	13.9
Regina	10,441,554—	3,160,057	23.6
Saskatoon	5,666,214—	1,056,661	15.7
Victoria	7,788,389—	1,622,145	17.2
Moose Jaw	4,087,645—	788,183	16.1
Ft. William	2,820,345—	644,234	18.5
Lethbridge	1,941,971—	461,921	19.2
N. West'n'er	1,908,569—	532,638	21.8
Brandon	1,985,555—	625,941	23.9
Med. Hat	1,242,673—	313,954	20.1
Pr. Albert	1,200,600—	83,653	6.5
Total West	$29,886,885—	$22,891,556	7.1
Grand Total	$1,148,629,208—	$146,535,376	11.3

HOWARD SMITH PROFITS DECLINE

Drop of About $400,000 From 1920's High Mark—Development of Company

From Our Own Correspondent

MONTREAL.—As was to be expected the net earnings of Howard Smith Paper Mills for the year 1921 showed a considerable decline from those of 1920, the totals comparing as $613,313 with $7,087,380. The earnings, however, kept up better than might have been expected from the volume of sales which owing to a heavy slump in orders in the earlier part of the year declined from $7,456,401 to $2,908,544. Part of this decline, of course, was due to decreased prices on the paper as well as to a big decline in tonnage. In referring to the current year the president, Howard Smith, states that 'the stocks of paper on hand in Canada are extremely low at the present time as the accumulation of stock during the inflated periods of 1919 and 1920 has been disposed of. The order situation is looking better and indications point to improved conditions for the year 1922."

A detailed comparison with the figures of the preceding year is difficult in some cases owing to changes in method of presentation. After deductions of bond interest and preferred dividends but before provision was made for income tax, depreciation or reserves, there remained $351,631 available for common dividends or about 8.7 per cent. If provisions were made for the other items out of earnings the dividend would not have been earned entirely.

The profit and loss accounts for the two years compare thus:

Profit and Loss Account

	1921	1920
Profits	$611,793	$1,087,381
Other inc.	1,519	2,518
	$613,312	$1,089,899
Bond int.	141,681	78 000
Pref. divid.	120,000	120,000
Net earnings	$351,631	$ 891,899
Com. divid.	297,932	220,800
	$ 53,699	$ 671,099
Depreciation	.....	196,[illegible]
Write off [illegible]	.....	16,932
Tax r[illegible]	....	91,018
	$ 53,699	$ 366,833

The president's report states that the export market showed very little demand during 1921 but during the past two months there have been prospects of considerable improvement for this year. The electrolytic bleach plant of the Company will commence operations shortly and thus considerably reduce the cost of bleaching the sulphite pulp. During the year the Company successfully produced and placed on the market several grades of paper hitherto imported, and the sale of these is steadily increasing. The directors decided to build at Crabtree Mills a plant for the manufacture of bleached ground wood which can be sold both in Canada and abroad.

INTERNATIONAL COAL MINING CO.

Increased Net Profits Shown in 1921 Although Production Dropped

From Our Own Correspondent

MONTREAL.—In spite of drop in the output of coal from 161,275 tons to 150,492 as compared with the previous year the financial statement of the International Coal Mining Company for 1921 showed profits of $160,621 as compared with $112,408 for 1920. Net earnings amounted to $87,923, almost double the common dividend requirements as compared with $43,627 the previous year. Working capital showed a slight increase. The president reported that during the year there was capital expenditure of $58,937 out of earnings, the greater part of which was expended on a new slope tunnel for No. 2 mine. This will be completed shortly and will greatly increase the capacity of the mine.

The profit and loss accounts and working capital items for the past two years compare thus:

Profit and Loss Accounts

	1921	1920
Profit	$160,621	$112,408
Sinking fund	6,000	6,000
Interest	5,714	6,380
Depreciation	33,967	34,128
Tax prov.	11,764	7,020
Pref. divid	15,253	15,253
Net earnings	$ 87,923	$ 43,627
Com. divid	40,000	35,000
Surplus	$ 47,923	$ 8,627
Prev. balance	263,458	254,831
P. & L. balance	$311,381	$263,438
Working Capital.		
Current assets—		
Cash	$ 26,792	$ 58,492
War bonds	35,000	135.000
Receivables	144,323	119,954
Coal, etc., on hand	7,957	7,287
Stores, etc.	53,210	59,625
	$367,282	$380,358
Current Liabilities—		
Accruals	$ 1,305	$ 1,515
Payables	20,300	43,603
Dividends, due	443	413
	$ 22,048	$ 45,531
Bal. net work. cap.	$345,234	$334,827

H. E. Bieber, manager of the Windsor branch of the Molsons Bank, has been transferred to the branch at Bedford, Que.

C. P. R. NET SHOWED DECLINE IN JANUARY

Gross Earnings Dropped $3,000,000—Operating Costs Were 96%

MONTREAL.—The net earnings of the Canadian Pacific Railway Company for the month of January showed a decline of $157,947 compared with January 1921. The gross earnings for January showed a decrease of over $3,000,000 compared with January, 1921, but operating costs increased from 81.6 to 96 per cent. of the gross. The net earnings of $483,477 are only about one-third those of December but the month of January is regularly the smallest of the year, and the net compares fairly well with that of $585,941 in January 1920. In January, 1917, however, the net ran $2,431,478 and in January 1916 it exceeded $2,000,000.

	Jan., 1922	Jan., 1921	Decrease
Gross	11,337,974	14,465,430	3,127,455
Op. ex.	10,854,497	13,824,006	2,969,508
Net	$ 483,477	$ 641,424	$ 157,947

Following are the net earnings and expenses during January 1922 to 1914:

January	Net	Expenses
1922	$ 483,477	$10,854,497
1921	641,424	13,824,005
1920	583,941	13,328,628
1919	1,553,512	11,474,816
1918	1,167,993	9,621,824
1917	2.431.478	7,726,829
1916	2,090,408	6,498,417
1915	1,140,233	4,968,793
1914	1,000.174	6,916,042

BETTER OUTLOOK AS MARKET FOR WHEAT GOES UP

Continued from page 1

a reduction in rates means an added deficit for the government railroads which the country would have to carry. The farmers should not ask that rates be cut below a fair level; they would resent a public demand that wheat be sold below a price which would return them a fair profit.

It is rather interesting to note the coincidence that the rise in price of wheat comes at a time when there is discussion of a proposal that a world pool be formed for the purpose of controlling the handling of wheat. If anything of the kind can be worked out to the interests of the producer it would be a good thing for Canada but it must be remembered that at bottom the old economic laws of supply and demand are at work, as always, and that when an effort to control prices at the expense of the consumer has the effect of reducing consumption, then the producer cannot merely by organising, secure more than economic justice awards him; it is the consumer who really decides the price which the producer must accept.

Although there has been a reduction of more than 50 per cent. in the prices of materials used in building, there is little indication of activity on any broad scale. The attitude of labor in refusing to take reductions in wages in keeping with the reduced cost of living is the great deterrent factor. This is emphasised by the MacLean Building Reports:

Indeed, there remains but one serious obstacle to the resumption of heavy scale building operations; that is the reluctance of labor to accept an adjustment of wage scales in a slight degree commensurate with the drop in living costs. Be it granted that labor is entitled to retain some portion of the improved standard of living wrested during the war, it is economically impossible for labor to hold out alone and obstinately against the great sweep of deflation. Attempts to do so have thus far resulted in nothing better than an alarming jump in statistics of unemployment, which in the month just ended has grown, so far as the building trades are concerned, to a degree never known before. What employment artisans have been able to obtain, moreover, has largely gone to the genuinely needy worker who has been willing to run the risk of forfeiting his union status by accepting less than union wages, in order to maintain himself and his family. A clear realization of the wage anomaly on the part of organized labor would be quite the most invaluable aid which building, in the broad revival promised this year, could enjoy.

MINING STOCK QUOTATIONS

Week Ending February 28

	High	Low	Close	Sales
Adanac	1¼	1	1	9000
Apex	3½	1⅞	1⅞	146000
Atlas	20	18	19½	86500
Bailey	3	2⅜	2⅜	4000
Beaver	36	30½	32	81350
Cham.-Ferlands	3¼	....	....	2000
Coniagas	1.28	1.25	1.25	600
Cons. Smelt.	19¼	18½	19	756
Cr. Reserve.	24	16¼	18	55260
Davidson	20	....	....	2000
D. Lake	9*	7	9	13500
D. Mines	25.95	25.00	25.25	3790
Gifford	1½	1	1	12000
Gold Reef	4	3½	3½	98000
Hollinger	9.50	8.50	8.60	17400
Hunton	8½	7½	8¼	85000
Inspiration	5	....	....	1000
Keora	14¼	10	11¼	75500
K. Lake	49	39	42	74500
La Rose	58½	40	57	114450
L. Shore	1.80	1.65	1.68	42000
McK. Darr.	23	19	19	15000
McIntyre	15.55	14.60	14.85	38800
Mining Corp.	1.15	1.10	1.12	880
Moneta	14¾	11	13	110000
Newray	10¾	9½	10½	17500
Nipissing	6.75	6.50	6.70	5950
Oph[illegible]	2¼	2	2	18500
Pet. Lake	6	5	6	[illegible]500
Porc. Cr.	28	23½	26	8860[illegible]
Porc. Imp.	1	½	1	52000
Porc. V.N.T.	28½	26	26½	214950
Prest. E. D	7¼	5¾	5¾	45000
Schumacher	50	42½	44½	99400
Silver L.	1¼	1	1	1000
T. Hughes	43	32	40	351200
Timiskaming	36	33	33	16500
Thomp. Krist.	5¼	3¾	4½	68900
Trethewey	5½	4	4½	38500
W. Dome	9⅞	8½	9	79000
Wasapika	4	3¼	3⅞	41500
W. Tree	4½	3¾	4⅛	14000
Hattie	24¼	19¾	23¾	32500
So. Keora	30½	23	30	15000
Argonaut	38	....	....	300

"BALANCE SHEETS"
How to READ and UNDERSTAND them
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THE FIFTIETH ANNUAL MEETING of the Shareholders of The Hamilton Provident & Loan Corporation

The Fiftieth Annual Meeting of the Shareholders was held at the Corporation's Head Office, Hamilton, at noon on Monday, February 27th, 1922.

The net profits for the year, after providing for all interest on borrowed capital, cost of management, and other charges, amounted to $183,463.72 which has been appropriated as follows:

Two Half-yearly Dividends at the rate of ten per cent. per annum	$120,000.00	
Government, Business and War Taxes	26,539.12	
		$146,539.12
Credited to Contingent Fund		36,924.60
		$183,463.72

ASSETS.

Office premises in Hamilton and Brandon		$93,000.00
Real estate held for sale		17,753.00
Mortgages—		
Principal	$4,069,174.76	
Interest	180,165.97	
		4,249,340.73
Loan on Corporation's own Stock		7,500.35
Dominion of Canada and Province of Ontario Securities owned	$184,873.10	
Canadian Municipalities and School District Debentures owned	100,325.95	
		285,199.05
Cash in Chartered Banks		106,565.68
Cash on hand		5,697.39
		$4,765,056.20

LIABILITIES.

TO THE PUBLIC:			
Debentures stock		$372,786.66	
Sterling debentures		477,565.27	
Currency debentures		365,158.98	
Interest accrued on debentures		14,404.74	
Savings deposits		898,039.18	
Provision for Income war tax and balances due borrowers		23,817.70	
			$2,151,772.53
TO THE SHAREHOLDERS:			
Capital subscribed	$2,000,000.00		
Capital fully paid		$1,000,000.00	
Capital partially paid		200,000.00	
Reserve fund		1,300,000.00	
Contingent fund		53,283.67	
Dividend (payable 3rd January, 1922)		60,000.00	
			$2,613,283.67
			$4,765,056.20

GEORGE HOPE, President. D. M. CAMERON, General Manager.

The Directors were re-elected as follows:—Messrs. George Hope, Joseph J. Greene, Henry L. Roberts, W. A. Wood, Stanley Mills and William Hendrie

At a subsequent meeting of the Directors, George Hope was re-elected President and Joseph J. Greene, Vice-President.

NEWS AND VIEWS FOR MANAGERS

CONDITIONS NOT BANKS SET THE EXCHANGE RATE

Something About the Workings of Trade Machinery

The article in this column last week dealt with reasons why retail merchants in the usual run of things are not entitled to loans from the bank on their stocks of goods. It was a straightforward statement by J. P. Bell, general manager of the Bank of Hamilton. However, Mr. Bell also explained some of the services which the bank does render to the retailer and particularly referred to exchange to meet bills in England, the United States or abroad. Sometimes when the rate runs up to 19 per cent. or so the merchant is inclined to blame the bank rather than conditions. This situation he dealt with in a manner which should be of interest to branch managers who may have had to meet this charge against the banks.—J. W. T.

It is a very natural question to ask, "Why should a dollar be worth more in New York than it is in Hamilton," You know by experience that you can buy as good a dollar's worth for a Canadian dollar in Hamilton as you can for an American dollar in New York. In fact, I think you will get a better meal in Canada for the same money. It would be much easier to understand the situation of the monetary unit if Canada had some name other than dollar. If, for example, it were called a beaver, for the imaginary line that divides the two countries is a very real one in finance.

This is well illustrated by a story of El Paso in Texas. There is a bridge there that crosses into Mexico and at one time the paper U. S. dollar was at a premium of ten cents in Mexico, while the Mexican silver dollar was at a premium of ten cents in the United States. A bibulous but ingenious gentleman discovered that he could always get ten cents change by taking an American dollar into Mexico and bringing a silver dollar back, and in those pre-historic times that was the price of a drink at the other end, and he kept the process up until the bridge became too difficult to navigate.

Workings of Exchange

Now the reason is to be found in the working of foreign exchange, in settling for goods bought on either side of an international boundary, actual hard money is seldom used and is seldom bought and sold, but the various substitutes for money—cheques, telegraphic transfers, bills of exchange—are things that bankers handle and merchants provide, and prove the motive power of international finance. A bill of exchange (and remember that a cheque is merely a bill of exchange payable on demand) is a debt, and these debts are brought and sold, thus making exchange. The price follows natural laws.

McLeod, in his theory of banking, says that if money is scarce and wheat very abundant, the price of wheat must fall. If money is very abundant, the price of wheat will rise.

Bear in mind that the ultimate settlement of any debt is in funds of the creditor country, and governed by the conditions of the debts between the two countries. But the excess of imports over exports is not the only factor. There are also imports loaned or invested, or exchanged for services or representing bonds and securities sold.

Service to Tourists

As an example of service rendered take that afforded visitors to our summer resorts such as Muskoka and the Rocky Mountains. They usually pay in American money sooner or later. The money left by travelers has a very important bearing on the financial condition of the countries. Take Switzerland for example. These and other things make what might be called a hidden balance of trade, and the great drop in the premium on New York funds at this time as compared with a year ago, may be accounted for first by the tremendous slackening in business here. We have very few commitments for raw materials or goods to pay for in the United States when business is dull in Canada. In the second place, money is getting cheap over there, and they are hungry for our first class bonds and debentures, and the continual floating of these has brought down the premium.

But I cannot see how we can hope to abolish, except temporarily, the premium existing on New York funds until we are in a position to resume the export of gold if need be, to pay for international trade balances, and that is a long way off when you consider our heavy debt and the potential conversion innate in our Victory Bonds and other securities.

HOME

The Home Bank has opened a branch at Mount Brydges, Ont., in charge of D. L. Nolan. This makes the fifteenth branch of the bank established in Middlesex and Elgin counties.

Widening the Scope of Ontario's Bank Scheme

Amendments to the Ontario Farm Loan Act and the Agricultural Development Act provide for the widening of the scope of provincial agricultural banking. Under one amendment the amount of the loans which can be made increased from $1,000 to $2,000. A second provides that in addition to loans for land for agricultural purposes for the erection of farm houses essential to production and for the payment of insurance on life or property, loans may also be made to pay off encumbrances and for any other production purpose.

HUMAN TOUCH IN CONDUCT OF THE BIG BANK

Loans Go Out From the Cities on Mules and Other Chattels

In their campaign against the chartered branch bank system in Canada those who would establish government banks, unit banks, or some other—or any other—new system of banks tell the farmers that at present their deposits go to the big cities for the benefit of the big corporations and that they cannot get the loans to which they are entitled. All would be different if we had such a system as that in the United States, we are told by the agitators who are so strong for making changes. It is rather interesting, therefore, to find a big New York bank making large loans to a bank in North Carolina which have been advanced in small amounts to farmers on the basis of mules and other chattels. The following observations on the human side of a big bank are made by Benjamin M. Anderson, Jr., Economist of the Chase National Bank of New York.—J. W. T.

Going through the portfolio of the Chase National Bank some time back, I came across a note for $104 signed by John Wilhite and Lizzie his wife, secured by a chattle mortgage on Molly—Molly being a mare mule, 16 hands high, five years old, broken to single and double harness, and resident in the state of North Carolina.

Now, one does not expect to find a note for $104 in the portfolio of a bank in New York with $500,000,000 resources, and one doesn't expect a note there to be collateraled by a mare mule who had never been out of the state of North Carolina. But the note was there.

What had happened was simply this: We had loaned $100,000 to a bank in North Carolina, and they had sent us, to secure that note, a stack of collateral two feet high, made up of small receivables of their customers. I went through the stack with great interest. The biggest note was for $2,000, the next for $700. Practically all the rest were under $300. Virtually all of them were secured by chattel mortgages of one or another kind.

I went through the list of names. They were old-fashioned American names of English-Scotch origin—McAlister, Hickman, Young, McCormick, Hume, and other names that brought back to me very vividly the picture of the blue grass country in Missouri in which I used to live—and I could see the homesteads from which that paper came. I felt better to know that the Chase National Bank was reaching out into the lives of those people so far away.

In that same portfolio is paper representing almost every part of the country and almost every industry in the country, goods coming and going across the waters, and securities representing virtually every industry. It is really a picture of the economic life of the country concentrated in one place. As the composition of the portfolio of a great city bank changes, one can feel the ebbing and flowing of industries, and the turn of business in one or another direction.

ENGLISH CAPITAL FOR CANADIAN MINES

Continued labor troubles at the Rand Mines in South Africa, may have an important bearing on the future of the gold mines of Canada. British capital has been discouraged in operating the Rand through the very small returns that they have made. As a result English financiers are seeking new fields. Temporarily the gold production in South Africa is almost entirely suspended by a strike of the white miners. This is only a temporary factor of course. The whole situation being that, on the basis of current costs and the normal price of gold, at 85 shillings per ounce, over half of the 39 mines now in operation would not show a profit. For several years past the South African mines have benefited by the low value of sterling exchange; but the steady increase of sterling is gradually reducing the premium. This means that many of the mines now closed by the strike, will not be able to reopen until the costs of production can be materially reduced by lower wages and cheaper materials.

MANITOBA FARM LOAN SURPLUS IS ONLY ON PAPER

The Difficulty is That the Money Has Not Been Collected

Public ownership book-keeping methods, to give the tax payers a rose-tinted view of their own affairs, are revealed in connection with the operations of the Manitoba Farm Loans Association, according to W. Sanford Evans, writing in the Winnipeg Tribune. Mr. Evans points out that the last balance sheet of the association shows an accumulated surplus of $96,148, which is the difference between interests on its mortgages collected or outstanding and interest paid or payable on its bonds, plus administration expenses. This is not unsatisfactory as far as it goes.

However, Mr. Evans goes on to show that this was the book position of the association and not the actual cash position at the time the statement was made. Out of $296,000 of principal and interest falling due in 1921 only $114,000 had been collected up to November 30. There were arrears of about $23,000 in 1920 and smaller arrears in 1919. On January 26, last the secretary reported that an additional $80,000 had been collected up to date. The difficulty of making collections during the past year is fully realized and attention is called to these figures chiefly because of their bearing on the general financial problem of the province. What the figures show is that not half enough money, counting both principal and interest was collected in 1921 to pay the interest on the association's outstanding bonds and its administration expenses. A very large proportion of the payments in the earlier years under the amortization plan consist of interest and, of course, fixed charges and expenses should be met out of interest collections only. Estimating the interest collections as closely as possible there was a cash income deficiency for the year as against cash expenses, of $137,200. Only a small amount of capital collections was available and the greater part of this deficiency was met out of the increased government investments during the year. In brief it was borrowed from capital. It is obvious, therefore, that the association is a financial responsibility of the province and not yet a self-supporting asset.

A Direct Loss Also

Further, Mr. Evans goes on to show that as well there has been direct loss to the province. The attempt of the government to get 6 per cent. money for this undertaking, or to create the appearance of having secured money at that rate, led to expedient and direct and indirect subsidies out of consolidated revenue that, together with the cost to the government of the money invested in the stock of the association, on which no interest has been received or can possibly be hoped for in the near future, and including the original grant of $10,000 makes the substantial total for the whole period of four years and nine months $281,216. Thus it is evident that the money being loaned to the farmer at 6 per cent. is costing one or two per cent. more when all the factors are taken into consideration. This indication that the project is not self sustaining is emphasized by the admission in the budget speech that the province meets the administration expenses of aobut $30,000 per year.

On April 30, 1921 the association had outstanding in bonds and accrued interest $5,378,533 and in stock $489,050. Of the principal of the bonds the province was the owner on its own account or on account of the Telephone Commission of $5,200,000 and if allowance is made for accrued interest it will be seen that the general public has invested to an extent only of some $100,000. It had become evident by the end of 1920 that money, even with the special and very concrete advantages of these securities, could not be attracted from investors on a 5 per cent. basis and in 1921 the rate of interest was increased to 6 per cent. which meant increasing the interest on new mortgages to 7 per cent. but the response has so far been insignificant. Of the stock of the association the government purchased $250,000 and borrowers have contributed the balance, it being a condition of a loan on mortgage that the borrower shall invest 5 per cent. in the stock. It might also be pointed out that to add to their attractiveness these securities of the association were included in the list of authorized investments for trustees and were exempted from any taxation which then was or might in the future be imposed by the province of Manitoba. The 5 per cent. bonds were also to be unconditionally guaranteed by the province in all cases where not purchased by the province itself. In addition the government made a grant of $10,000 to the association toward organization expenses.

RAILROAD EARNINGS

Earnings of the Canadian Pacific Railway for the third week of February amounting to $2,729,000, compared with $2,913,000 for the corresponding period in 1921, show a decrease of $184,000, or 6.3 per cent.

The Canadian National reports earnings for the third week amounting to $1,693,447, a decrease of $862,912, or 33.8 per cent.

The Grand Trunk reports earnings amounting to $2,050,042, an increase of $198,377, or 10.7 per cent.

COMMERCE

The Canadian Bank of Commerce announce the opening of a branch in Toronto at Roncesvalles and Wright avenues, on March 6, under the management of D. C. Greaves.

Announcement is also made by the Bank of Commerce of the opening of a branch at Westmount, Quebec, in charge of F. C. Austin.

Marked Success of Aggressive, Progressive NORTHWESTERN LIFE

1921 a year of remarkable expansion with increases in every department—Over One Hundred Thousand Dollars Increase in Surplus.

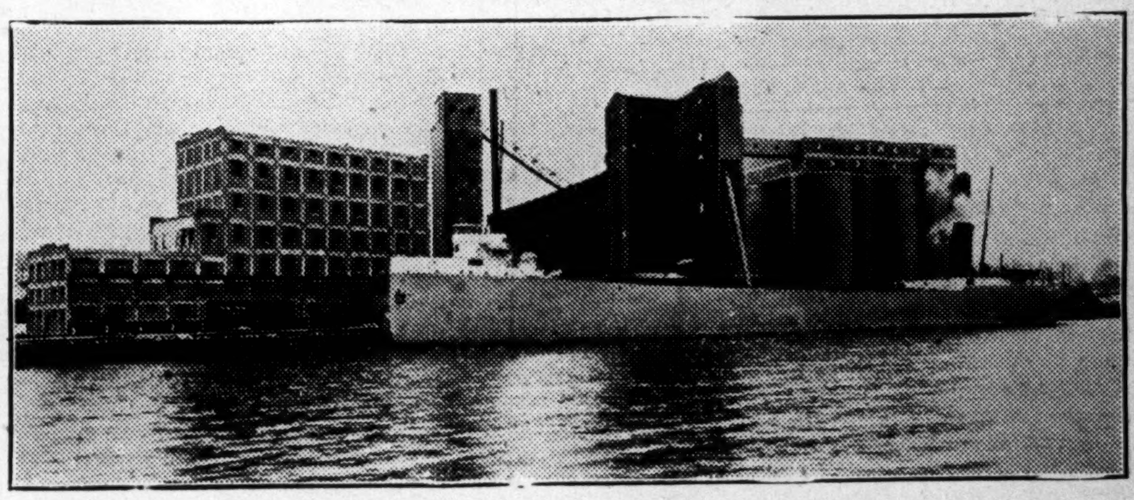
	1920	1921
Business in Force	$3,179,968.00	$7,004,764.00
Total Resources	$1,522,382.69	$2,378,376.46
Total Assets (of all kinds)	$647,382.69	$ 886,851.00
Total Investments	$ 537,305.14	$ 600,848.37
Policy Reserves	$ 230,756.75	$ 309,377.00
Premium Income	$ 132,322.99	$ 232,154.74
Surplus	$ 116,244.22	$ 220,095.86

Paid to Policyholders and Beneficiaries $26,243.95.
The Death Claims, however, were only 24.3% of the expected.

H. R. S. McCabe MGR-DIR. — The NORTHWESTERN LIFE ASSURANCE COMPANY — F. O. MABER SEC-TREAS.

Copeland Flour Mills, Limited

STRATEGIC ADVANTAGES



The above is a reproduction from a photograph of the Copeland Flour Mills, the Midland Elevators, and one of the twenty ships of the Great Lakes Transportation Company, Limited, fleet. The three companies represented in the above picture are closely related and represent one of the strongest combinations of its kind on the North American Continent.

An Invitation to Readers of "The Financial Post"

In inviting readers of "The Financial Post" to invest in the 8% Preference Shares of the Copeland Flour Mills, Limited, of Midland, Ontario, we offer them participation in a well founded and substantial enterprise.

The Copeland Flour Mills Limited was organized and is managed by men of broad experience in the grain elevating business, as well as in the flour business. The Company manufactures the highest grade of flour from Canadian hard wheat and, in addition, makes a complete variety of feeds.

This is the newest mill in Canada. It is particularly well located for both domestic and foreign trade. It has an exceedingly low capital overhead. Its capacity is 1,200 bbls. of flour per day with about 35 tons of feed offal from the flour mill and, in addition, 100 tons of feed from the feed mill. Without further construction the mill can, with increased machinery (for which space is provided), produce up to 3,000 bbls. of flour and 200 tons of feed per day.

We offer for investment the 8% Sinking Fund Cumulative Preference Shares of The Copeland Flour Mills, Limited at par $100 with a bonus of 30% in Common Stock. The Preference Shares are the senior security. There is no bond ahead of them so that the prospect of early dividends on the Common may reasonably be looked for.

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TORONTO, MARCH 3, 1922

AID FOR THE STARVING RUSSIANS

CANADA is being intensively organized and solicited for aid to the starving Russians. The strongest pressure for contributions will be on financial institutions primarily, and then on manufacturers, merchants and business concerns generally. They have therfore a very vital interest in the question. We have pretty well all we can do taking care of our own destitute at this time. But we can do that and still have some to spare for less fortunate foreigners and particularly for suffering but deserving Russians.

The fact that these people have been so fearfully exploited by, and are still under control of a group of grafting foreigners, is no reason why we should withhold our aid. We should have no sympathy with those who suggest they should be allowed to suffer. The difficulty is to know how we can get our contributions to the real sufferers. We do know that during the last year or more large sums have been collected in Canada which never went beyond the Soviet propagandists within our own borders. Of the many so-called Russian Relief funds, we know of but two that are perfectly legitimate. So crooked are Soviet conditions that persons in this country desirous of sending money to their families in Russia are advised not to do so as only a small per cent., if any, will get to them even through British and United States official channels. The real Russian Red Cross of the war days, still in existence, advise their British colleagues against supporting any of the Soviet schemes and go so far as to say that internal conditions in Russia are morally as bad as in the worst days.

It is the knowledge of these conditions that has made the always generous Canadians hesitate. It has made the British hold back, and the Americans and the French.

Word now comes that millions are going through the indescribable horrors of famine for whom no relief can ever arrive in time. For this condition the policy of the Lenine-Trotzky group in making famine relief the basis for spreading propaganda for recognition and financial aid from foreign countries is responsible. These men have been refusing all relief for the sufferers excepting through their own channels. Persons who knew them have absolutely refused these terms.

The best authority, because of his proved capacity as an organizer and executive and his unusual experience in this particular work, is Mr. Hoover, U. S. Minister of Trade. He knew the urgent need for help. On his advice the U. S. Government gave an initial grant of $20,000,000 to aid in feeding and clothing the starving millions. Lenine-Trotzky prevented his activities for a long time on the demand that distribution must be done through them. But Hoover thoroughly understood their aims and refused. International opinion forced them to give in, but the Soviet agents in Canada and the States are carrying on a campaign against Hoover and his plans. Even the Canadian Government has been privately warned from Soviet headquarters in New York to avoid his policy or any co-operation with him.

Canadians want to help, but with these facts before them they are at sea and financiers and business men would be well advised to hold up all contributions until the situation has cleared. As pointed out last week, the Government has been committed, probably under the impulse of the moment without proper enquiry, on the advice of one man, to the endorsement of one particular fund "Save the Children". It may be the best, but is certainly not being conducted on this side on lines that will create confidence. Its promoters here are giving more attention to the rehabilitation of the Soviet leaders than to the famine. In fact, when it was first put out in Canada last year under other auspices it became necessary to bring pressure to bear to stop it. This "Save the Children Fund" was organized by Lord Weardale, whose wife is Russian, widow of Count Tolstoy, and managed by Nansen, a Norwegian scientist-diplomat.

The Friends' Emergency Committee is another that is raising money here. It is apparently thoroughly reliable with a splendid war record.

Finally, there is our own Canadian Red Cross with its wonderful record in South Africa, in this war and since. It is thoroughly organized with foreign connections. When the famine was looming, it took the matter up with the British Red Cross and on their advice has been co-operating through them with the Russian Famine Relief Fund, the chief organization of its kind in England and under the presidency of the Lord Mayor of London. It seems to us, Canadians cannot do better than concentrate on, and work through this thoroughly trustworthy channel of good service, and if contributions are large enough, have them administered in our own name.

Since the above was in type several newspaper clippings have come in which show renewed activities by the Soviet Red Cross in several Canadian centres. Such collections are illegal and no money should be given to such agencies.

WHY TORONTO IS MISTRUSTED

STAND ON GUARD AGAINST GRAND DUKES OF TORONTO

Toronto has Grand Dukes just as willing as the Grand Dukes of Russia ever were to deny electric lighting, radial cars and homes on big lots of cheap land to the masses of the people.

Grand Dukes of Toronto would strike down Adam Beck and wreck Hydro as willingly as the Grand Dukes of Russia struck down and wrecked every man and movement for the service of the Russian people.

Greece and anarchy contended for the souls and crucified the bodies of the Russian people. The greed of the Toronto Grand Dukes would have made life as hard for the masses of the people in this city as the tyranny of the Russian Grand Dukes made life hard for the masses of the people in Muscovy.—Toronto Telegram.

The above is typical of the destructive propaganda fed to several hundred thousand Toronto readers daily. It makes the masses discontented. It makes success a crime, and misrepresentation a virtue. Makes them believe that all industry is of the slave-driving Russian type; that all industrial leaders and financiers are heartless and dishonest. It has put control of the city in the hands of little faddists who, for example, sincerely believed that a bribe of a few thousand dollars would cause a hundred million railway corporation to move its headquarters here.

It happens that Sir Henry Pellatt and others connected with lighting and electric railway interests have been amongst the largest promoters of schemes for building good homes on large lots in the suburbs. Also, as the electric companies depend for their profits on the sale of light and power what could be their object in denying electric lighting to Toronto homes?

The POST has never had any sympathy for the attitude of the men directing the Toronto Electric interests. We persistently criticised them for their failure to recognize that they were trustees for their shareholders and servants to their customers. This neglect, this shortsightedness brought ruin to the former and dissatisfaction and higher costs to the latter. Indirectly, it is responsible for the coming tremendous burden of taxation for public ownership on Toronto and Ontario.

This type of editorial policy is echoed by the men in Toronto Councils and School Boards who play for the prejudices of the voters until it becomes recognized as the policy of the city. There was a time when Toronto newspapers were respected and imitated by the press of all Canada but the experiences when the publishers from the Atlantic to the Pacific got together for a time in the Canadian Press Association completely altered that attitude. The editors carried to the remote corners of the Dominion a dislike for and mistrust of the Toronto press. The greed, crookedness and anarchistic attitude of several Toronto newspapers were a revelation and eventually led to a breaking up of the national association. This attitude which constantly crops out in the press of the country and through other channels, has now made Toronto perhaps the most unpopular place in Canada.

To Toronto schools and colleges come annually thousands of young men and women from Victoria to Sydney. They return to take up their life work in their home districts. Being of superior training, they become the leaders of social and public life; they are the centres from which the public opinion of the neighborhood emanates. What impressions have they been carrying away? What effect are these impressions going to have on the future of Toronto as a business, educational or social centre?

Toronto has been the centre for anti-Quebec propaganda. It has lost the city the friendship of the French-Canadian and as far as we can see has made friends for them in other provinces.

Dr. Robertson, Chairman of the Canadian Red Cross, who admires Toronto, speaking recently at the Ontario Division annual meeting said that during a speaking tour of the Western Provinces he had to abandon all reference to the exemplary work of Toronto citizens during the war. Toronto was too unpopular. Dr. Farley of Trenton, who followed, said the same intense dislike of Toronto prevailed in Eastern Ontario.

This bitter and growing antipathy to Toronto has become recognized and steps to counteract it by some of Toronto's really able citizens. Energy and money are to be spent in attracting settlers and visitors. Might not some of this propaganda be spent primarily on making the city's newspapers and public men more attractive, more acceptable to its own citizens, and to Canadians generally?

EDITORIAL NOTES

IN SEVEN YEARS trade between U. S. and Newfoundland increased by $16,000,000 and between Canada and Newfoundland it fell off $8,000,000.

* * * *

ENCLOSING a clipping describing the reception to Mr. Balfour on his return to England, a reader comments: "This is the man you do not think much of, eh?" This reader musunderstands. THE FINANCIAL POST has every admiration for Mr. Balfour—but as a diplomat, not as a business executive.

* * * *

IT IS SAID that it cost not less than $500,000 for the first oil well drilled in Colombia. We do not know what the Fort Norman venture cost, but we are convinced that if Canada is to become an oil producing country it will only be by the expenditure of money in large gobs—and it is for Ottawa to see that capital is not discouraged by fool restrictions.

* * * *

THERE ARE many unemployed. Municipalities are spending taxpayers' money in doles. Last week pedestrians in several Ontario cities had to navigate along sidewalks of glassy iciness. A detachment of the unemployed and a few loads of sand would have made walking safe to life and limb. And it needed no weather prophet to tell on the previous afternoon that water and a low temperature would make ice by morning.

* * * *

THE ARGUMENT for the removal of the income taxes on corporations in order that productive industries may be encouraged for the general benefit of the whole country gains strength when the suggestion is made, as voiced at Ottawa last week by J. F. M. Stewart, that income taxes on farmers should be abolished for the same reason. Farmers will benefit from industrial activities and manufacturers will benefit from agricultural prosperity. Mr. Stewart is able to speak not only as an industrial executive but also as a practical farmer. He has a twelve hundred acre farm in Manitoba and knows something of the difficulties with which farmers have recently had to contend.

The Farmers' Dilemma as Presented to Pres. Harding

Something About the Consequences of a "Small" Dollar and Costly Machinery and Equipment in Discouraging Agricultural Operations

BY AGNES C. LAUT.

Just as the Griffenhagen Report was one of the most informative collections of forty-six volumes on the functioning of Canada's Executive ever issued, so the data collected by experts in the U. S. Government for the Agricultural Conference called by President Harding will prove one of the most informative records ever put before the public on Farming.

He is a dull and dead patriot, of what ever nation, who can go over these incontrovertible facts and not realize their tremendous, vital, dangerous significance.

Facts are set forth, first.

The diagnosis as to causes, second.

The remedies for the causes are suggested, third.

In cotton, tobacco, sugar and other products south of the Mason and Dixon Line, Canada has little direct concern.

Take a few of the general summaries. People wanting fuller details should write to the Agricultural Department of Washington for full reports of each committee.

The Famous Little Dollar

"Measured in terms of purchasing power, the Farmers' dollar in 1921 has been worth less than for thirty years."

"The prices of farm products declined more rapidly to a lower level than all other commodities."

"Agriculture produces 16 to 23% of the national income."

"Thirty per cent. of the people engaged in gainful occupations are engaged in agriculture."

"The average return from farms in 1920 was $465. In purchasing power, compared to 1910, it was $219. The figures for miners in this era stand $1280, purchasing power, $808; for rail men, $1,600 and $882."

Beef, cattle, sheep are fewer in 1920 than in 1909. Hogs increased but are being depleted now owing to low prices.

Agriculture represents 40% of all purchasing power in the country.

The consumption of wheat dropped from 6.9 bushels per head in 1919 to 4.6 bushels in 1920—cause, unemployment. The figure 4 is the low mark of consumption in Europe.

The consumption of meat in the United States is declining—cause, unemployment.

Below Production Cost

The crop of 1920 in every line was sold below cost of production. Reaction—while there were huge profits to the packers in 1919 and 1920 from previous years, 1921 except in one case represented loss.

Mortgages on U. S. farms have more than doubled in ten years. Interest on mortgages fairly well paid.

"The highest level of freight ever known has diminished the net price received by the farmer." This proves who really pays the freight, who ever may seem to.

"In many cases total receipts have been absorbed by rail charges." "In other cases, commodities could not be moved at all." Cases of this are given in MACLEAN'S MAGAZINE.

Since 1870, the rural population has decreased from 71% of the people, to 48%—counting only places of 2,500 people or more, and not such great centres as coastal cities created by foreign trade. The decrease is to 30%, if you include the total population.

Farming a Gamble

"The hazards of the past few years have reduced farming to a gigantic gamble." This in an era when little "success" stories in every magazine in the country were proving that farming is the one certainty, that is not a gamble, and that "earth ever faithful is to such as trust her faithfulness."

Had the farmer gone to work as a farm laborer, he would have been much farther ahead than as a farm owner. He would have received larger net earnings as a rail man, as a teamster, as a housemaid.

There has been a tremendous deal of eloquence and ink wasted in the comparative prices of implements North and South of the Boundary. You will find the official figures on page 189 of the Report, Part 1. To these figures should be added 10 to 20% for middlemen's profit and from them should be deducted 5 to 6% for cash. Please note—an addition is not made for "long credit" as in Canada, but a deduction of 5 to 6% for cash.

Binder 6 foot—1913, $102.50; 1915, $102.50; 1917, $130; 1918, $175; 1919, $175; 1920, $163; 1921, $172; 1922, $146.

(I have been challenged again and again for saying I bought a binder in the United States for $115. Please look at official figures and if you doubt them, get the report.)

Mower 5 foot—1913, $36; 1915, $37; 1917, $48; 1918, $65; 1919, $65; 1920, $63; 1921, $62; 1922, $56.

Drill—1913, $58.50; 1915, $61.50; 1917, $74; 1918, $99; 1919, $99; 1920, $99; 1921, $101; 1922, $86.

(I have been challenged for saying I paid only slightly over $100 for a drill. Please look at the official figures.)

Wagon—1913, $67.35; 1915, $67.35; 1917, $77; 1918, $107.25; 1919, $118; 1920, $125; 1921, $127; 1922 $114.75.

(I paid $54 for my wagon because I bought the extra box the next year.)

I give these figures to settle finally on official testimony the prices of implements in the United States. Why deny facts? These are the denials, which embitter farmers and cause them to regard all manufacturers' statements as propaganda.

A National Calamity

"The wholesale discouragement of such a national industry as farming is a national calamity."

"The most progressive farmer has suffered the most," because he expanded the most. People have a habit of regarding the shiftless farmer as the cause of the decline in agriculture and we have preached his head off with little sermons. The shiftless farmer, who didn't spend much, but robbed the soil, really stands farther ahead to-day than the man, who put back what he earned in improvements.

"There can be no revival of American business until the farmers' dollar is restored to its normal purchasing power."

I am not setting down opinions, but the summaries of facts gathered by the best financial farm experts in the United States.

In the diagnosis of causes, the Report points out that while the War brought the crash, the crash was on the way before the War came. The War simply precipitated the crash.

The causes are summarized as too high freights; too high overhead in wages and all equipment; too short and limited credits; too indirect access to markets; and such profiteering by middlemen in farm products that the consumers buying power is paralyzed and the products back up unsold on the farmer; and overproduction in every farm product from grain to cattle and milk.

Exchange and lack of export trade are not given as essential causes, but only contributory, because in spite of exchange and paralyzed buying power on the part of Europe, when exchange was at its lowest some such farm exports as wheat were going out in largest volume.

From Office Boy To General Manager

By E. G. WILSON.

One of the most popular moves, in the industrial world of Ottawa, was the election, a few days ago, of Major F. D. Burpee, general manager of the Ottawa Electric Street Railway Company, to the directorate of the Ottawa Traction Company.

Major Burpee is still well on the sunny side of fifty, and both in spirit and action, even much younger than that. His elevation to the inner circle of high officialdom of the company has met with wide approval, as is evidenced by the shower of congratulations which have been heaped upon him.

The major commenced his working career thirty-one years ago as an errand boy for H. B. Spencer, at that time, as at present, superintendent of the Ottawa division of the Canadian Pacific Railway. It was in 1891 that Ottawa left off walking to work and took to the horse-drawn trams which marked the inception of the Ottawa Street Railway Company; and it was two years later that Major Burpee severed his connection with the C. P. R. to become private secretary to J. E. Hutcheson, who at that time was superintendent of the street railway, and who is at present general manager of the Montreal Tramways Company. And Major Burpee has been with the Ottawa Electric Street Railway Company ever since, steadily climbing from one position to another, until at present he sits on the top rung of the ladder, telling the other fellows what to do.

In 1912 Mr. Hutchinson left Ottawa to take the Montreal post. For several years prior to that time Major Burpee had been acting as assistant treasurer, to both the superintendent and the secretary treasurer, J. E. Fraser.

The major's devotion to duty was rewarded by promotion to the superintendency. He carried on in that capacity until 1915, when he went overseas with the 207th. Battalion, as second in command, with the rank of major. On arriving in England he reverted to the rank of lieutenant and went to France with the 5th. Battalion, Canadian Railway Construction Troops. On his return to Ottawa in 1919, he was given the title of general manager.

To Major Burpee's flexibility of mind and readiness to carry out sound ideas, are due many important improvements, which have placed his company in a particularly high standing in the transportation world of America. Chuck full of pep and red-blooded energy, a real specimen of magnetic forceful manhood, Major Burbee has always been to the fore in worthy community enterprises.

He is president of the Ottawa Rotary Club, an organization which during the last couple of years has accomplished much in the way of community welfare, and in spreading the gospel of goodfellowship.

The major has always been an ardent lover and follower of athletics. In his younger days he entered enthusiastically into all kinds of water sports and won many laurels. Of late he has become proficient in the art of wielding the tennis racket. At his summer home in the Gatineau hills, he has a tennis court where he has many an enjoyable game. He has not yet given way to the lure of golf, but as many of his business acquaintances in Ottawa have long since knelt before the shrine of the tiny white sphere and the eighteenth hole, it is likely only a matter of time before he, too, will become a willing captive.

But great lover of sport as he is, it is only one small part of the major's make-up. Work is his middle name, and an indefatigable worker he most assuredly is, and always has been. Asked what he considered a young man should do to achieve success, the major promptly replied: "Play the game square and work hard." The major has always played the game square and has never been afraid of hard work.

In fraternal circles, he is prominently identified with the A. F. & A.M., having quite recently relinquished the post of Master of Civil Service lodge.

PERSONALS

WM. HUNTER, managing director of the newly organized Commonwealth Life and Accident Insurance Company has been manager in Hamilton of the Dominion Life for some years. Before that, he had a long and varied experience in managerial positions with a number of British and Canadian life companies.

A. B. WOOD, who has been appointed a member of the Board of Directors of the Crown Trust Company, Montreal, is chief actuary of the Sun Life Assurance Company. Mr. Wood graduated from McGill University in 1892 with honors in mathematics and has held this position with the Sun Life since 1908. He is a Fellow of the Institute of Actuaries of Great Britain, and also a Fellow of the Actuarial Society of America.

H. T. JAFFRAY, who was recently appointed one of the two assistant general managers of the Imperial Bank of Canada with headquarters in Winnipeg, was born in Galt, Ontario, in 1879. Practically all of Mr. Jaffray's service in the bank has been in the West, having entered the service in August, 1899, at Portage La Prairie. Since 1915, Mr. Jaffray has been attached to the Bank's Western Executive and since February, 1919, has occupied the position of Western superintendent.

A. E. CADMAN, who has been in charge of the Statistical Department of the Canadian Export Paper Company, has been placed in charge of the information and Statistical work in connection with the Canadian Pulp & Paper Association. Previous to this Mr. Cadman had been mathematical master on the staf Westmount High School. During his service with the Export Paper Company, Mr. Cadman achieved a wide reputation for ingenious and clever charting, and his work for the larger body will make possible a considerable broadening out of his activities.

W. G. MOORE, wh orecently took over the duties of superintendent of branches, in addition to holding the position of secretary of the Imperial Bank, was born in Edinburgh, Scotland, in 1887. Mr. Moore entered the service of the legal department of the bank, in July, 1911, and since September, 1918, has occupied the position of secretary. In addition to being a solicitor of the Supreme Court of Ontario, Mr. Moore qualified in Scotland before coming to this country. While at Edinburgh University he was prizeman at law and conveyancing and for a short time was assistant to the professor of conveyancing at that university. Mr. Moore was secretary of the Canadian Bankers' Association for a period of two years.

MORLEY E. MACKENZIE, director of the newly organized Ontario Provincial Government savings offices has had some fifteen years of experience in practical banking with the Traders and Royal Banks. He has been associated, latterly in a managerial capacity with branches of the Royal at Sudbury, Toronto, St. Mary's, Tweed and Burlington and was at one time on the inspection staff in Montreal. Mr. Mackenzie is choosing the managers for all the branches that are to be opened from among applicants who have been associated with the chartered banks. When the first provincial savings office was opened this week, Premier E. C. Drury unlocked the front door, Hon. Manning Doherty, Minister of Agriculture deposited the first dollar, Hon. Peter Smith, provincial treasurer, acted as teller and Mr. Mackenzie entered the deposit in the ledger.

ROBERT MacDOUGALL PATERSON, who died in Montreal at the week-end, was well known in insurance and financial circles. He was chief joint agent with his brother, James B. Paterson, of the Phoenix Insurance Company of London, Eng., the Columbia Insurance Co., of New Jersey, and the Union Marine Insurance Company, of Liverpool. He was also a director of the Acadia Fire Insurance Company, of Halifax. Mr. Paterson was well known also outside of insurance circles and was a member of the Board of Directors of the Royal Bank, having been a director of the Quebec Bank before its absorption by the Royal. He was also a director of the Montreal Telegraph Co., and the Intercolonial Coal Co. Mr. Paterson was a son of the late Alex. Thomas Paterson, who was for many years a director of the Bank of Montreal. His father had also been chief agent for Canada of the Phoenix Insurance Co. The late Mr. Paterson had his country home at Senneville, of which he had been mayor for many years. He was a member of a number of clubs, including the Mount Royal, the St. James, Forest and Stream, Mount Bruneau Golf, Senneville Country Club, Montreal Jockey Club, the Winter Club, the St. George's Snowshoe Club and the Art Association of Montreal.

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INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of THE FINANCIAL POST. Only questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose 3 cents in postage stamps to cover postage on answers direct.

FRASER COMPANIES

E. G. Sherbrooke.—Will you kindly report on, also give me your personal opinion of the Fraser Companies, general mortgage 8 per cent bonds, series A, due March, 1941?

Fraser general mortgage bonds are a good purchase for a high yield. Of course they have not the same degree of safety and salability as many other industrial bonds selling to yield 6 per cent. to 7 per cent., but they give a yield that compensates for this.

IMPERIAL STEEL CORPORATION

C. M., Toronto.—I would be obliged if you could give me any information relative to the issue of Imperial Steel Corporation, formerly Imperial Steel & Wire Co., Collingwood, 25 year 8% 1st mortgage gold bonds with bonus of 20% common stock. What is your opinion of these for investment?

Bonds of the Imperial Steel Corporation may be regarded as a satisfactory investment for a business man in a position to give some attention to his holdings. They are of course not an investment of the highest grade as is indicated by the high yield and the stock bonus. But they have considerable intrinsic merit which would recommend them for the investor who has a reserve of more seasoned securities and is ready to widen his list.

AMES HOLDEN

Subscriber, N.S.—I would greatly appreciate any information you can give me concerning Ames, Holden, McCready 7 per cent bonds, and would also thank you for your personal opinion of these bonds as a good sound investment.

We presume you mean Ames Holden Tire Co. bonds, as Ames Holden McCready bonds bear only 6 per cent. interest. The Tire Co. bonds were issued in 1919 and are 20-year first mortgage sinking fund gold bonds guaranteed by Ames Holden McCready. The Tire Co., we understand, is really the most prosperous of all the Ames Holden concerns and its earnings are far more than sufficient to meet the bond interest. We do not think you have any reason to be alarmed over these bonds.

ST. LAWRENCE FLOUR

S., Hepburn, Sask.—Please advise if you consider St. Lawrence Flour common a good buy at 66 for an investment.

There has been an improvement in the export demand for flour and most of the milling stocks have had an advance recently. We could not, however, term a common stock of this description an "investment." The dividend has little of the certainty of bond interest or even of the dividend of a preferred stock. Some months ago the company cut off the bonus of 4 per cent., that was being paid per annum on the common, in addition to a regular dividend of 6 per cent. In the present uncertainty of business conditions especially there are few common stocks that rank as an investment.

ORGANIZING A COMPANY

Scribe, Coniston.—Would you kindly give me your opinion as to whether it is a good time at present to organize a bond and security company in Canada?

Any time is a good time for an experienced, aggressive, capable person to go into a business he is well acquainted with. But the present would hardly be a suitable time for the flotation of stock in a new and speculative undertaking, if that is what your object is in forming a security house.

If you are planning to go into the business of handling high grade securities locally we would say that the extent of your knowledge of investment matters is the basis for your decision. If you plan to raise capital for a new company we would advise you to study the cost of raising capital as exemplified in many propositions now being floated.

ONTARIO EQUITABLE

Enquirer, Norwich.—Will you kindly advise me as to the advisability of insuring in the Ontario Equitable Life. Is this a sound company? Are they operating on a sound actuarial basis?

The Ontario Equitable Life and Accident Insurance Company is a most progressive organization and in its fifteen months of life has expanded to a remarkable degree. The cost of establishing any new life company is expensive, but where such a large proportion of the capital is paid up, as in the case of the Ontario Equitable, rapid expansion may be had without loss of security to policyholders. We consider it a sound company and as it is operating under the safeguards provided by Ontario law, is on an actuarial basis. Only non-participating insurance is written and the premiums quoted represent the actual cost to you of insurance not to be reduced by dividends or profits.

HOWARD SMITH PREFERRED

C., New Glasgow, N. S.—I note that Howard Smith, Pref., is selling about 84 and is an 8 per cent stock.

I have an idea of investing in some of it, but would like to get some information regarding the Co.'s standing before doing so.

If Co. is on a good footing the stock returns a good yield.

I would thank you for a short statement of present standing, and prospect.

The company seems to have passed through the worst in the paper business and is doing fairly well at the present time and has been for some months past. Several new lines have been developed and the results have been satisfactory. We believe that any danger of the preferred dividend being passed is at an end, and that it is more than likely the common dividend will be able to be maintained. The company during the past year installed a mill for the manufacture of sulphite pulp at Cornwall, Ontario, and this will reduce the cost of paper. At the present price Howard Smith preferred gives a yield of nearly 10 per cent. and seems a fairly safe investment.

TRUSTS AND GUARANTEE

E. L., Augusta, Me.—How do you regard the position of the Trusts and Guarantee Co., as viewed from their last statement?

The annual statement of the Trusts & Guarantee Company for 1921, showed some decline in profits but we take this as reflection of general conditions rather than as applying particularly to this institution. The assets indicated a favorable development of business.

During the difficult period experienced by so many of the loan and trust companies, after the outbreak of the war, this company was forced to make certain retrenchments and adjustments, the wisdom of which had since been indicated. While it may be that in some departments the company's position is still somewhat extended, we regard it as being altogether sound and in a position to take advantage of developments in Canada which should prove favorable. In brief the company through facing the situation which developed some years ago is now we believe in a sound position and with continued efficient management should develop in a healthy way.

LONG TERM BONDS

J. W., Victoria.—I would appreciate your advice regarding the purchase of some securities. We are advised to sell our 1922 Victory bonds and invest in a long term security and have been advised to take $1,000 in Oak Bay Municipality, also $1,000 in Point Grey Municipality. We have been recommended some Dutch East Indies Government bonds so as to spread our money and not have it all in one basket. We have also bought $1,300 of Argentina Government bonds, also $500 Province of Alberta. Perhaps you would suggest a few good government or municipal bonds.

You are wise in selling your short term securities to invest in long term bonds to give you a higher yield. You could well convert the entire $5,000 into sound municipals. Oak Bay and Point Grey are safe purchases and are especially good for a British Columbia resident. They are two of the soundest of coast municipalities. The Dutch East Indies bonds are somewhat outside the field of investors like yourself. Your province of Alberta bonds are sound. Argentine government bonds are almost too far afield for the small investor though that country is stable and prospering. You need not worry about them but watch for a favorable time to convert into good Canadian bonds.

ASBESTOS PREFERRED

Subscriber, New Glasgow, N.S.—In regard to Asbestos Corporation preferred: Is their business being handled by capable business men? What is the standing of company to-day and what are the possibilities of paying business when times get nearer normal?

We have looked favorably on this security for some time past. Nearly 90 per cent. of the asbestos mined in the world comes from Canada and up till a few months past the company has had a very large export business. The uses for asbestos developed greatly during the war, and even when peace came it was found that the demand for commercial purposes was likely to increase steadily. International business conditions have lessened the export of late, and there has been an intimation that the export of unmanufactured asbestos from the Province of Quebec might be restricted. We do not believe, however, that the Government would take this step until manufacturing facilities in Canada were increased to an extent that would provide a market for the production of the mines. The preferred stock of this company shares in all future increase of dividends with the common. The company is in a strong financial position, the management is considered excellent and this security looks like a pretty fair investment.

BEACH FOUNDRY

Enquirer, North Gower.—Will you please give me your advice as to the wisdom of buying bonds of the Beach Foundry Company, Ottawa? The bonds are 1st mortgage 8 per cent. maturing June 1, 1921.

The Beach Foundry Ltd. has been in operation some twenty-seven years and was moved from Winchester to Ottawa in 1914. The authorized capital is $400,000 of which $300,000 is paid up and stock issued to this amount. The $100,000 bond issue bears 8% interest, is due in 1931 and can be redeemed at any time subject to payment of three months' interest. The bonds have all been sold privately—some $50,000 originally disposed of and Mr. Beach is now endeavoring to sell an additional $25,000 for working capital. The buildings are all of modern construction and a conservative appraisal of buildings and real estate would be about $17,000. Inventory accounts would probably run to $100,000.

From this information you will see that the proposition is a sound one on the face of it but with a comparatively small concern in which one man has probably been the guiding spirit conditions may have their effect especially in the event of a change in the directing head. The ability of a bond holder to keep closely in touch with the proposition would we consider, be an important factor.

MONARCH MORTGAGE

E. C. Toronto.—Kindly give me your opinion of the preferred stock of Monarch Mortgage and Investments Ltd. I am interested in somethnig that is sound and at the same time will enable me to get a full share of the profits from the business in which I am taking stock.

Sound second mortgage companies are being successfully operated under prevailing conditions and seem to have an established field. Much of course depends upon management in the selection of the mortgage risks and in keeping down of overhead charges. In this connection the officers of the Monarch Mortgage and Investments are well regarded. Stock, we understand, is being offered at $12 per share of par value, $10 with 8 per cent interest. The yield is of course reduced but there is a bonus of common stock to be taken into consideration. The value of this common stock would depend upon the success of the company, but in this case we are assured that practically the whole of the common stock will go to the investors so that they will fully share in any further profits which may accrue above the preferred dividend.

The stock is being handled by the Investors' Utility Company, a newly organized financial agency for the sale of securities to appeal to the small as well as the large investor. The members of this company are well regarded in financial circles.

PROTECTING INVESTORS

Enquirer, Everett.—I would like some information as to how a small investor can buy stock on the Toronto Stock Exchange without feeling that he has been fleeced. On February 9 I sent my cheque to a bond house in Toronto for $132 to purchase one share of C.P.R. It was then quoted at 131 and a fraction. This letter was received by them on February 10. On February 11, they wrote me as follows: "C.P.R. is selling higher than 132 and we presume you do not wish us to wait until 132 will buy a full share, but buy it in any case and let you know if there is any difference in figures. This is what we have done, and will advise you just exactly what we do, because for the sake of 50c or $1.00 you might lose the opportunity of buying." I heard no more from them until they wrote me on February 17, as follows: "We enclose herewith broker's note for the purchase of one share of C.P.R. stock. It has been very hard to get one share of the stock. Broker's note is as follows: One share C.P.R. at 136½; commission 50c; total $137.

We can see nothing in the circumstance you recount regarding purchase of one share of C.P.R. stock which is not strictly in accordance with recognized stock exchange procedure. On the 11th C.P.R. sold up to 133 and on the 17th at 136½. The purchase in your case was evidently not made at the top or the price would have been fractionally higher on a one-share transaction.

The point made by the brokers that it is difficult to get one share of stock does not, we think, need much explanation nor is it hard to imagine that in getting one share, or in selling one share, there may be a spread in relation to the market quotations. Quotations in New York are for 100 shares and in Toronto and Montreal for 25 shares and when purchases are made for smaller amounts the price is fractionally higher. Anything less than trading lots are not particularly favored by investors because they are more difficult to handle. Of course all this works to the advantage of the large investor but we do not know by what means this could be overcome any more than you could overcome the fact that the retailer on a transaction in one article requires a higher margin of profit than the wholesaler dealing in large quantities. As a matter of fact so far as the broker is concerned it is just as much trouble—more in fact—to make a transaction for one share of C.P.R. than for a lot of 25 shares.

Canada Is Planning For Increase In Overseas Trade

But President of Canadian Pacific Says That Government Ships Are Hectic Element in Our Maritime Progress

BY E. W. BEATTY
President Canadian Pacific Railway

One of the most interesting features in Canadian development during recent years has been the growth of the shipping facilities for Canada's overseas trade and traffic.

An indication of this can be seen in this year's returns from the port of Montreal, which show that up to the close of navigation 930 vessels had docked there, as compared with 654 for the previous season. The shipments included more than 140,000,000 bushels of grain, an increase of nearly 100 per cent. over the previous highest figure, that of 1914.

The phenomenal growth of Canada's mercantile marine during the last few years has been taken as indicative of the country's progress. There is danger, however, in a too rapid growth if the increase has not been directed along commercially profitable lines.

High Cost of New Tonnage

In the case of the mercantile fleet built for the late Canadian Government, the cost was high, and represents a hectic element in our maritime progress. It is indeed a mystery why construction of so many of these ships was undertaken after the armistice. Contracts were given by the Canadian Government to Canadian shipbuilders for cargo ships in January, 1919, on a price basis of $200 a ton, at a time when the Canadian Pacific was being offered by the British Ministry of Shipping any number of cargo ships, well adapted to the requirements of Canadian trade, at $100 a ton, and actually purchased two at that price.

The Government cargo steamers, contracted for after the armistice, seem to have been built without any particular trade in view and without the support of a passenger service. Unless their initial high cost is written down they must be run at a loss.

Experience has shown that for Canadian trade the ideal ship for Atlantic business is the steamer which will combine passenger and freight business in a certain proportion. This accounts for the construction of the new one-cabin type of ship, such as the Montcalm, with a gross register of 16,000 tons, a speed of sixteen knots, a capacity of 1,500 passengers and 5,000 or 6,000 tons of freight.

Of the thirty-five steamers plying for the Canadian Pacific on ocean service only nine are cargo ships. Although some of these Government steamers are run on regular lines where there is some prospect of a cargo both ways, a large percentage of the fleet has been forced into tramping without any particular benefit to Canadian commerce, although the tonnage may swell the Canadian register.

Passenger Traffic Waiting

The increase in tonnage credited to the steamship companies carrying on regular service, particularly where the lines are passenger steamers, is in another category. Owing to Canada's geographical position, the St. Lawrence route in summer and the port of Vancouver all the year round are in a favorable position to attract large passenger traffic. The St. Lawrence route enables Atlantic steamers of reasonable speed to cross the Atlantic with only four days open sea, while the comparatively short distance between Vancouver and Yokohama has given the Canadian liners a substantial time handicap over their competitors.

The total tonnage of ocean going lake and river steamers which will carry the Canadian Pacific house flag in 1922 will be only a few tons short of 500,000. This is in spite of the fact that the Canadian Pacific lost tonnage by enemy action during the recent war to the extent of 101,081 tons.

Beginning To See The Light

Toronto Star

In moving the address in reply to the speech from the Throne, in the legislature, Mr. C. F. Swayze said: "I am absolutely in favor of public ownership, and was in favor of it long before Hydro was inaugurated. But I want public ownership conducted economically and to know what the cost is going to be." He would, therefore, support the policy of the Drury government in this matter.

It appears that in consequence of this speech the Toronto Telegram sent one of its reporters on a punitive expedition against Mr. Swayze to his home town of Niagara Falls, Ont., and bombarded him in his stronghold with a two-column attack.

The Niagara Falls Daily Review shoots back with a double-column editorial. The Telegram does not find it as easy to intimidate the natives as it did a few years ago. They shoot back every time now, and it was bound to come to this, The idea that anyone who presumed to ask questions or offer suggestions of his own on public ownership ought to be seized, tied across the mouth of a cannon and shot to atoms, was an extreme one, and could not be expected to find general favor permanently. The time was bound to come when, willing or unwilling, a more reasonable attitude would have to be assumed.

Mayor Newman, of Niagara Falls, was quoted by our contemporary as having said of Mr. Swayze's speech that "that kind of talk will not go with the people here," and that "Mr. Swayze has lost his popularity with the labor man." The Evening Review says:

"The Review was curious regarding the alleged interview, it looked so much at variance with other actions of the mayor, Interviewed by the Review, Mayor Newman disclaimed any such interview and denied strongly ever having said anything which could be construed in that way. On the contrary, the mayor spoke warmly of the work done by Mr. Swayze since he became the representative of the riding."

One would have gathered from the Telegram article that Niagara Falls was up in arms against Mr. Swayze, M.P.P., because he supports the Drury policy of going slow about radials and enquiring fully into the whole business. The Review believes local opinion approves the course taken by Mr. Swayze. "The time has not yet come," says the Review, "when a proposition must be accepted without any consideration. No business man, if he intends to remain a business man, will jump at a proposition without studying all angles of it."

No sound proposition is injured by the thorough discussion of it. The notion that anybody who does not agree with you on a question of public policy is therefore a public enemy, a hired and paid villain, who ought to be tied across a cannon and shot to pieces—that crazy notion is played out.

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Buy 8% Coupon Bonds Now

The down-swing in money rates has made issues of 8% bonds by prominent Canadian corporations a thing of the past. New corporation financing will be by means of 7%, or even 6%, bonds.

This means that 8% bonds already issued should rise to over par. That is why we urge purchase of 8% coupon bonds while they are still available at par or under.

The current issue of *Investment Items* describes two attractive 8% issues. Write for a copy.

Royal Securities CORPORATION LIMITED
MONTREAL
Toronto Halifax St. John Winnipeg
Vancouver New York London, Eng

City of Montreal

5½% Bonds

Dated March 1, 1922 Due March 1, 1932

Principal and half-yearly interest (1st March and 1st September) payable in Montreal.

Denomination: $1,000.

This is the first issue of Montreal Bonds offered since September, 1918.

Price: 100 and interest, Yielding 5½%

Write for descriptive circular.

Wood, Gundy & Company
Montreal, Winnipeg — 36 King Street West, Toronto — New York, London, Eng.

$248,000
City of Kitchener
6% Bonds

Dated 1st March, 1922 Due 1st March, 1923-42

Principal and annual interest (1st March) payable at the office of the City Treasurer, Kitchener. Denominations, $1,000 and odd amounts.

Financial Statement

Assessed value for taxation	$18,732,174
General debenture debt	2,298,784
Net debenture debt	1,360,485
Population 22,717	Area 3,182 acres

We recommend bonds of this well-known Ontario city for investment

1923-1927, Rate to yield	5.60%
1928-1937, Rate to yield	5.50%
1938-1942, Rate to yield	5.40%

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He is still liable to run out of town—for a business trip, or a fishing trip,—perhaps just when your wife most feels the need of consulting him.

He is still subject to illness, years, loss of business acumen—death.

Your affairs need a permanent executor. Such as The Canada Permanent Trust Co.

This company's business is attending to your business. This company is never beyond your reach—it takes no vacations, and so is never unavailable through absence.

This company is not subject to incapacity or death. Its exceptional personnel is continually being recruited with highly trained, responsible men.

The management of your affairs is permanent, continuous, vigilant,—when your executor is

The Canada Permanent Trust Company
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Taxation of Federal, State and
Municipal Bonds

By John H. Hoffman
and David M. Wood

A concise exposition of the law of taxation, as applied to Federal, State and municipal bonds, and an exhaustive analysis of the tax laws of the U. S., the States and Territories, with reference to such securities, prepared primarily to meet the needs of investors and dealers in the securities considered.

The authors are practical municipal bond men, having specialized for many years in the examination of the legality of municipal bond issues, in which work they have been associated with John C. Thomson, Esq., of New York.

Every dealer in high-grade securities, every investing institution and those private investors holding or contemplating the purchase of Federal or local government securities will find this timely volume to be of real value in answering authoritatively the many problems which arise out of the complexity of Federal, State and local tax laws.

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THE BOND BUYER

67 Pearl Street New York, N.Y.

H. C. SYLVESTER, Jr., Vice-President of the National City Company, says, "This book fills a long-felt want and should be most serviceable to dealers and investors in Municipal Bonds"

Canadian Railroads' Funded Debt Totals $1,281,618,888

Total funded debt of Canadian railroads was $846,324,166 at December 31, 1920, newly issued official figures indicate. Adding debenture stocks which are to all intents and purposes bonds the total bonded indebtness of the steam roads at that date was $1,281,618,888. Of these bonds $234-484,537 bear the guarantee of the Dominion Government and $164,698-792 additional have been guaranteed by Provincial Governments.

Bonded obligations of electric railway companies totalled $79,504,449 at the same date.

NEWS OF THE BOND MARKET

GOING INTO DEBT IS BUILDING THIS LAWYER'S FORTUNE

Buying on Instalment Plan Alright if Purchase is Bond

There is a story told of a successful business man whose concept of the vital element in success is this: "Never go into debt except to build a fortune; never buy on the instalment plan unless you are making an investment."

The desirability of the danger of getting into debt must be judged by the circumstances in each case. The greatest part of the world's business is done on a credit basis which means that continually thousands of people and organizations are in debt Whether or not one should buy on instalments depends in the last analysis upon the purpose for which one buys. It is unwise to indulge in luxuries bought on the instalment plan, for the man who does that is adding to his liabilities for his own pleasure. But the man who goes into debt by taking an insurance or buying a home or investing in sound bonds is temporarily adding to his liabilities so that he may eventually increase his assets.

The Story of a Lawyer

All of which is but preliminary to the story of one of Toronto's successful lawyers—a man now in his prime and not too many years away from his early struggling days—who is rapidly building himself a fortune by the simple principle of always being in debt. As a specific incontrovertible proof of the soundness of systematic investment the record of his methods and the results they have achieved are worthy of study.

Eight years ago this lawyer decided that the one way in which he could build a reserve fund for his old age would be to invest systematically. He opened an account with an investment house and instructed his bookkeeper to send $20 a week to this house to be added to his account. When he had $100 in the account he bought a bond and went into debt for the balance of the purchase price, paying off in weekly instalments of $20. Since then he has regularly followed this practice adding $20 a week to his account year in and year out. Whenever he has been fortunate in getting an exceptionally large fee or has a windfall from some source he adds $500 or $1,000 to his account; his interest is always reinvested. Now he has around $25,000 of good bonds in his holdings from which there is a substantial income return. Only the best investments have been bought. At first the purchases were confined to "gilt edged" securities but latterly a few good industrial preferred stocks of companies in which this lawyer was indirectly interested have been bought. "I have bought only widow's investments because this fund may be a reserve for my widow some time," he explains.

Would Not Have Had It

One of the points in this scheme of investing is that the investor is always in debt for the balance on some bond or block of bonds. "Forced saving and the accumulation of interest explain how I have been able to accumulate so much in such short time" explains the investor. I feel certain that I would not have had this money to-day if I had not started this system of forcing myself to save and invest. As for the accumulative force of such investing I have found that $20 a week invested in this way will amount to over $26,000 in twenty years."

He explains that he has $37,000 of insurance, some of it whole life and some twenty pay life. He has bought no endowment insurance as the net return on the investment portion of the premium is considerably less than can be earned by investment systematically. He has made no real estate investments nor has any of his funds been put into mortgages.

Is the partial payment plan of investing for the small man only? Evidently the experience of this lawyer provides the answer. It is not only for the smaller investor. To use his words "Systematic investment is more necessary for the business man than for anybody else. His cares and worries are so great and his interests so wide that he is quite likely to let the matter of providing for his own future and the proper investment of his funds pass without due attention. If he sets up a systematic plan that is workable he is bound to save and invest money that would otherwise be spent."

ABOLISH MULTIPLE VOTE

Abolition of the system of allowing ratepayers to vote on money bylaws in every ward where they own property is provided by a bill before the Ontario House.

HAMILTON'S DEBT

Hamilton, which sold a large bond issue this week had a debenture debt of $15,646,460 at December 31, 1921. The net debt was $14,312,457.

February Bond Sales Total $17,277,940

New bond issues of Canadian municipalities and corporations totalled $17,277,940 in February. There were no railway or provincial bond sales. The January total of bond sales was $27,551,582.

The record is as follows:

Provincial	....
Municipal	$10,645,440
Corporation	6,632,500
Railway	....
February total	$17,277,940
January	27,551,582
Year to date	$44,829,522

ALBERTA GUARANTEE ON ANOTHER ISSUE

Second Irrigation Scheme Involving $645,000, Gets Official Stamp

From Our Own Correspondent

EDMONTON.—The Province of Alberta is now committed to a second irrigation project, the Legislature having approved the bill to authorize and guarantee a bond issue of $645,-000 for the United Irrigation District. The plan upon which the scheme is to be carried out is the same as in the case of the Lethbridge Northern project, in which an issue of $5,400,000 was involved.

Some preliminary work has already been done on the United scheme, which is in the southwestern part of the province, an advance loan having been made last fall on government guarantee in order to provide relief employment for local residents. It is expected that the project can be completed within the figures authorized for bond issue.

The next irrigation scheme in line will be that of the McLeod district, on which the preliminary survey and organization work has been done. It is quite possible, however, that this will not be guaranteed this year, there being only a small population within the district and the cost per farmer being therefore comparatively high. It was recommended, moreover, in the report of the Southern Alberta Survey Board that the government take up further schemes only in the ratio of success accomplished in the schemes already under way, and even if the legislature does not accept other recommendations of the board it is likely to act upon this one, in which case nothing more will be done in the way of adding to the province's irrigation obligations until the Lethbridge and United projects are at least within measurable distance of completion and successful operation.

REDEMPTION CLAUSE OFTEN WEAKNESS

High Rate Bonds May Be Redeemed—Loss If Bought Too High

The possible disadvantage of holding bonds, subject to early redemption, is pointed out by a prominent investment house, which states it is becoming apparent steadily with the general advance of bond prices. Many such issues are selling for near or above their redemption prices which limits possibilities of enhancement, in their market values and results in a loss to investors in cases of their redemption. The probability of redemption of bonds bearing high rates of interest is indicated by the fact that when money rates have declined after a long inflation period, corporations have taken advantage of the redemption privilege to refund their bonds on lower bases. Most new bonds issued in recent years are callable, but, with little trouble, a large number of high-grade long term non-callable bonds, issued by foreign governments and municipalities and domestic corporations, can be found.

The callable feature is often attractive of course, in bonds, but there is a danger to investors in paying, say, 108 or 110 for a high rate bond that is subject to redemption at 105. The saving in interest might easily lead to the withdrawal of the bonds by the issuing corporation.

Calgary City Sells Bonds: Other Sales of the Week

Calgary, Alberta, has sold $240,334 of 6% 29 year serial bonds to McLeod, Young, Weir & Co., and Amelius Jarvis & Co. The issue is payable in New York as well as Canada.

Hamilton's $1,040,000 Issue

Hamilton sold $250,000 of 20 instalment 5 per cent. bonds and $790,-000 of 20 instalment 6 per cent. bonds to Gairdner, Clarke & Co., Dyment, Anderson & Co., and the Canada Bond Corporation at 101,53, the money costing the city 5.63 per cent. The bids were:

Gairdner, Clarke & Co., Dyment, Anderson & Co., and Canada Bond Corporation	101.53
Dominion Bond	100.91
Wood, Gundy & Co.	100.778
Harris, Forbes & Co., McLeod, Young, Weir & Co., National City Co. and Nesbitt, Thomson & Co.	100.56
R. C. Matthews & Co., United Financial Corp., and R. A. Daly & Co.	100.49
A. E. Ames & Co., and A. Jarvis Co.	100.49

Windsor Sells Varied Blocks

Windsor has disposed of $400,000 of 20 instalment 6 per cent. bonds guaranteed by the province of Ontario at 102,28. Wood, Gundy & Co. got the bonds as well as $366,230 of 10 and 20 instalment 6 per cent. bonds. The price for the latter issue was 100,29 making a 5.71 average cost to the city. Tenders were as follows:

$400 Issue	At 5½%	At 6%
Wood, Gundy & Co.	98.69	*102.38
R. A. Daly & Co. and R. C. Matthews & Co.	98.17	102.38
Gairdner, Clarke & Co.	98.70	102.057
W. A. Mackenzie & Co. National City Co. and McLeod, Young, Weir & Co.	98.03	
A. Jarvis & Co., and A. E. Ames & Co.	98.93	
For $366,000 Issue.		
Wood, Gundy & Co.	*100.29	
W. A. Mackenzie and Syndicate	100.238	

*Awarded.

Brantford, Ontario, has disposed df $110,000 of 6 per cent. 10 year serial bonds locally.

Sarnia Bond Sale

Sarnia sold $50,000 of 20 instalment 6½ per cent. bonds guaranteed by the province of Ontario to the Municipal Banker's Corporation at 106.56 and $31,000 of 6 per cent. 15 instalment bonds not so guaranteed to the same corporation at 102.09. The bids were:

	$50,000	$31,000
Municipal Bankers Corp.	106.56	102.09
National City Co.	106.79	101.09
Gairdner, Clarke & Co. (For all.))	104,37	
R. C. Matthews & Co. (For all.)	104.32	
Dyment, Anderson & Co.	106.18	101.22
C. H. Burgess & Co.	106.11	101.06
A. Jarvis & Co.	105.33	99.03
Wm. C. Brent & Co. (For all.)	101.	

Scarboro Township Bonds

C. H. Burgess & Co., bought $196,-288 of 6½% 19 instalment bonds from the township of Scarboro, Ontario at 105,782, a 5.77% basis.

If Methuselah Were Here He Would Buy This Bond

A long term non-callable public utility issue yielding about 5.57 per cent. plus New York funds to their maturity can be found in the Commercial Cable Company's first mortgage 4s, due in 2397. They are secured by a first mortgage on five transatlantic submarine cable lines aggregating 17,000 miles, their connections between the United States, England, France, Ireland, Nova Scotia and the Azores and on the Postal Telegraph Company's assets. The company's capital stock is owned by the Mackay companies. The bonds can be obtained in denominations of $100. They enjoy an excellent market, being listed on the New York, London, Montreal and Toronto stock exchanges. A conversion privilege makes the bonds convertible into sterling debenture stock, on which 4 per cent. interest is paid at the rate of £206 of stock a $1,000 bond.

In the year recently closed Gillette Razor Co. earned before taxes $7,008,-564, compared with $6,803,407 in 1920, $6,025,350 in 1919 and $5,252,136 in 1918. For each year of the past decade the company has increased its earnings over the preceding year.

BOND MOVEMENTS OF THE WEEK

BONDS—	Int. Rate.	Due. Year.	Yield.	Range 1921. High.	Range 1921. Low.	Range 1922. High.	Range 1922. Low.	Latest Price Week Ending Feb. 28 Ask.	Bid.	High.	Low.
Can. Bread	6	1941	6.68	90½	82	93	88½	92¾	92½	93	92½
Asbestos	5	1942	6.78	80	73	80½	79½	—	80	80¼	—
Dom. Cotton	6	1922	6.80	99¾	96	99½	99	—	99	99½	99⅛
Dom. Iron	5	1929	7.34	83	75	87¼	82½	—	83¾	87¼	85
Dom. Textile	6	1925	6.27	98	92	99½	98	—	98	99	—
Montreal, Sep. '23	6	1923	6.25	100	97¾	100	99	—	88¼	99½	—
Do., Dec. '22	6	1922	4.90	108	104	104¼	101	101	—	101	—
Montreal Trams	5	1941	6.03	90½	82¼	89	87½	88	—	87¾	—
Ogilvie (B)	6	1932	5.85	100	92¼	101¼	101	—	100	101	—
N. S. Steel	5	1959	6.54	76¾	69¾	78½	—	—	79½	78½	—
Quebec Rly	5	1939	8.56	68	59	66¼	63½	66	65¾	66	63½
Rio	5	1935	7.70	84¼	73	85⅝	73	—	84	84½	77
Sao Paulo	5	1929	7.95	82	70	83½	80	—	82	83	82¾
Sher-Williams	6	1941	6.35	98	96	98	96	96	—	96	—
Steel of Can.	6	1940	6.17	98¼	88½	99	97	—	98	98	—
Wayagamack	6	1951	8.30	78¼	69½	76	71¾	73	—	73	72
War Loan (1925)	5	1925	5.65	96.00	92.00	98.50	96.10	97.70	——	98.00	97.65
Do., (1931)	5	1931	5.24	96.60	90.05	98.80	96.25	98.20	97.80	98.25	97.75
Do., (1937)	5	1937	5.04	102.50	94.50	101.25	99.50	100.00	99.65	100.80	99.60
Victory (1922)	5½	1922	5.65	99.55	96.62	99.95	99.10	99.85	99.80	99.90	99.60
Do., (1923)	5½	1923	5.63	99.50	95.50	99.93	98.75	99.85	99.75	99.85	99.55
Do., (1924)	5½	1924	5.68	98.50	94.25	99.85	98.00	99.60	99.50	99.60	99.20
Do., (1927)	5½	1927	5.28	101.00	95.25	101.60	99.75	101.10	101.00	101.15	100.80
Do., (1933)	5½	1933	5.20	101.80	95.12	103.10	101.25	102.75	102.65	102.80	102.50
Do., (1934)	5½	1934	5.53	99.48	92.25	100.00	98.30	99.80	99.70	99.90	99.70
Do., (1937)	5½	1937	5.06	104.00	96.50	105.15	103.80	105.00	104.90	105.00	104.70

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1 February, 1941
15 September, 1943

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An act has been introduced into the Ontario legislature to legalize contributions by municipalities to the Ontario Safety League.

British Parliamentary papers announce that £25,000,000 sterling will be provided for in net budget estimates to cover six months' interest on British debt to United States.

CIVIC AND PROVINCIAL FINANCE

MANITOBA DEFICIT TWO MILLION IS CHARGE OF CRITIC

Economic Systems of Provincial Treasurer Draw Heavy Fire

From Our Own Correspondent

WINNIPEG.—**In Travers Sweatman, K. C., president of Winnipeg board of trade, and W. Sanford Evans** two critics of Manitoba's economic policies have arisen. Mr. Sweatman advances the argument that Manitoba with its sparsely settled population of 613,000 persons has reached the limit of its borrowing capacity. Sanford Evans decries the provincial treasurer's continuance of short-term borrowing as an encroachment upon the working capital of the world's business turnover. "Manitoba is using part of this working capital to carry a growing deficit on current account that has existed since 1917, the greater portion of which is described in the provincial accounts as an advance to telephones for sinking fund instalments" asserts Winnipeg's one-time mayor.

The board of trade president charges that although the deficit shown for this province by the public accounts for 1921 was $601,034, the real deficit was about $2,000,000. "In discussing the financial affairs of this province from an economic point of view, I was not so much interested in whether the present administration is responsible or not, as in finding out what the real condition was," says Mr. Sweatman in further reply to Hon. Edward Brown's speech before the Credit Men's Trust Association. Mr. Sweatman made the original charge before the same association two weeks ago and was subsequently answered by the provincial treasurer. It is with this latter presentation that Mr. Sweatman is concerned, when he explains that "The message I tried to bring home was that the state had a limit to its borrowing capacity in the same way as a private individual—and that the same principles which govern individuals and business concerns should be applied to government and that the proper course to pursue was to cut down the expenditure until it was less than the revenue."

Situation Widespread

Hon. Edward Brown's address indicated that the province was not alone in showing a deficit, when he said "The province of Alberta will show a deficit of approximately $2,000,000. All these western provinces have deficits. British Columbia's is so serious that they are not disclosing it."

In support of his argument that the **Manitoba deficit for 1921 is $2,000,000** Mr. Sweatman presents the following analysis of the public accounts:

Admitted deficit	$601,034.88
Item No. 1, telephone deficit	538,438.24
Item No. 2, premium on bonds wrongfully taken into revenue..	377,474.35
Item No. 3, increased sinking fund contribution on account of government bonds, shown as an increased asset in current account	105,729.96
Item No. 4, admitted deficit of Manitoba Hydro	150,000.00
	$1,772,677.43

"In addition to these amounts there are a large number of other items charged to capital account, which would need further investigation before determining whether they are properly chargeable to that account or to Consolidated revenue. I refer to

Children's Aid Society....	$55,000.00
Manitoba Gov. Elevators...	7,128.15
Ninette Sanitarium	25,000.00
Brandon Winter Fair Bldgs	180,000.00
	$267,128.15

The contentions of Sanford Evans are that Manitoba's deficit will reach $2,283,501 and in his opinion "It is the existence of this real deficit which explains the magnitude of provincial borrowings." Mr. Evans' chief complaint against the provincial borrowings are from the economic angle. "The least desirable and hardest to defend of all forms of raising money for government use," he maintains, "is short-term borrowings."

From Our Own Correspondent

NEW YORK.—Commenting upon a speech delivered by Travers Sweatman, president of the Winnipeg Board of Trade, the N. Y. Times in its issue of Feb. 27, points out that the problem of taxation is worrying Canada as much as it is the United States.

"From all quarters in the Dominion agitation has developed for special bonuses and benefits until the point has been reached where prominent citizens and trade organizations have entered sharp protests against the Government," according to the Times.

"Canadian land values greatly increased during the period of prosperity and taxes followed. Upon these increased tax receipts municipal and provincial officials planned numerous extensions and improvements in public highways, utility plants and other enterprises. There were demands from all quarters for special benefits and subsidies, many of which were granted, because taxes were rolling into the public treasuries.

"Canada, like other countries, has felt the strain of liquidation and its people have been unable to meet the increased tax levies. Many municipalities are said to be facing deficits."

The newspaper then goes on to quote extensively from Mr. Sweatman's speech, which is mainly an indictment of the financial policy of the Manitoba provincial government, based upon an analysis of its standing which, according to Mr. Sweatman reveals the disastrous effects of public operation of telephones and public utility corporations. It quotes Mr. Sweatman's statement that the Province of Manitoba had mortgaged itself for twenty-five years.

Receiver Named For Swift Current Following Action

Legal victory of the Canadian Bank of Commerce in its action against the City of Swift Current moves the drama of this western city's default forward another act. The city, when unable to collect on a loan it had made the city against tax collections, took its action to the courts with the result that a receiver has now been appointed for the city to collect all moneys raised by assessment or levies in the years 1915 to 1920 with the exception of 1919 school taxes. The moneys so collected will be divided among the bank, the sinking fund and certain other creditors.

Swift Current, a city of 9,000 people ten years ago in the day of superabundant, if injudicious optimism, has now a population of around 3,500. Crop failures over a term of years when the city was struggling under the burden of debt incurred in the boom time, made it impossible for the city to carry on and last year complete default on debenture interest was announced.

The debenture holders, the bank and the then city council, came to an agreement whereby a committee of five, consisting of three debenture holders and two members of the city council were empowered with complete control of finances for five years. All was sailing smoothly when opposition among the citizens to the agreement developed. In the year end election a council pledged to revoke the agreement was elected. On the following day the sheriff appeared at the city hall to levy an execution of the Union Bank, following a judgment it had obtained some months ago and the Canadian Bank of Commerce commenced its action shortly after.

The sum for which judgment was given against the city was $257,360. This is the amount of loans the bank claimed to have made to the city from 1915 to 1920.

North Battleford Talks of Changing Its Name

North Battleford, Saskatchewan, is thinking of changing its name. Some seventeen years ago when the Winnipeg-Edmonton line of the Canadian National Railway was built the new townsite at Battleford was named North Battleford. The new town was located on the other side of the Saskatchewan River from the historic town of Battleford and some four miles distant by the traffic bridge. In naming the new town it was evidently not foreseen that there might in future years be some confusion between the two places owing to the similarity of name. As a matter of fact the new town grew very rapidly and in 1913 having out-grown Battleford, was incorporated as a city with the name of North Battleford, but the two places are often mistaken one for the other, and from time to time the suggestion is made that North Battleford should change its name to one more distinctive. The matter was brought up recently to the newly elected council, but there are so many points involved that it was decided nothing should be done for the present, although it may receive careful consideration in the future.

Manitoba Expenditures On Capital Account Cut

From Our Own Correspondent

WINNIPEG.—The Manitoba provincial government has set its capital expenditures at $500,000 and this comparatively small amount will be strictly adhered to, according to the Hon. Edward Brown, provincial treasurer. In setting up this amount the government is denying the requests for extension to the hospital at Portage la Prairie, and postponing the new University of Manitoba at Tuxedo Park, and to all intents abandoning for the immediate future all provincial construction, where the buildings may be classed as "in advance of the needs of the province."

In the legislature during the unemployment debate the provincial treasurer refuted the innuendo that capital outlay was being restricted for 1922 because of Manitoba's credit position abroad. "There never was a time when the province could get money more easily if it wanted it. It is not a question of borrowing money" he maintained, adding, "That is easy. The question is whether the house having declared against incurring further fixed charges should maintain that position. Just as surely as it gives way to items which involve only $500,000, just as surely will it surrender its position on other questions, items of non-revenue bearing character."

Tenders and By-Laws

TENDERS WANTED

March 6, Hull, Que.—$130,700 6 per cent. debentures, maturing 1st May, 1941; May, 1951; May, 1928. H. Boulay, City Clerk, Hull.

March 6, Consumers' Gas Co.—$7,500, 150 shares of capital stock, having par value of $50. Arthur Hewitt, General Manager, Toronto.

Mar. 6, Village of Waterford.—$11,000 3 per cent., 20-instalment debentures. W. S. Fuller, Village Clerk.

March 7, East Angus.—$25,000 debentures. J. Alfred Girard, sec.-treas., East Angus.

March 15, Penetanguishene.—$45,000, 6 per cent, 20 year instalment plan debentures. W. H. Hewson, Town Clerk. (See announcement on page 16.)

March 8, Manitoba.—$2,250,000, 20-year 5½ per cent bonds, payable in Canada only, or $2,250,000 15 year 6 per cent bonds payable in either Canada or New York.

DEBENTURE NOTES

Edmonton.—Money by-laws totalling $433,664 will be submitted to the burgesses of this city shortly. They will cover a number of public works and new utility equipments, including extensions of the civic power plant, a new telephone exchange, swimming pools, street work, and local improvements.

Streetsville.—The village council has decided to submit a by-law to the ratepayers to raise $4,000 to pay the balance due on the permanent pavement built in 1920 at a cost of $36,000.

SASKATCHEWAN

The following is a list of authorizations granted by the local government board from February 4th to February 18th, 1922:

School Districts

Stanley, $4,000; Bright Side, $4,200; Louisa, $9,700; Wigginsdale, $2,200; Two Tree Point, $1,000; Hampton, $1,000; Prairie, $1,000; Roia Dene $1,200; Fitzgerald $2,500; Dahinda $900.

The following is a list of debentures reported sold from February 4th to February 18th, 1922:

Schools.—Debden, $5,000, 15 years, 8 per cent, Geo. Moorhouse, Regina. Prairie Grove, $5,400, 15 year, 7¾ per cent, Regina P. S. Sinking Fund. Lake Burg, $500, 10 year, 7¾ per cent, Regina P. S. Sinking Fund. Longridge, $3,900, 10 year, 8 per cent, Geo. Moorhouse, Regina. Kelvingrove, $2,000, 10 year, 8 per cent, C. C. Cross & Co., Regina. Gottlob, $1,000, 10 year, 8 per cent, C. C. Cross & Co., Regina. Lily Vale, $1,600, 10 year, 7¾ per cent, Regina P. S. Sinking Fund. Jasmin, $750, 10 year, 8 per cent, Geo. Moorhouse, Regina. Black Poplar, $1,500, 10 year, 7¾ per cent, Regina P. S. Sinking Fund. Briar Mound, $1,500, 10 year, 8 per cent., C. C. Cross & Co., Regina.

Rural telephones.—Naisby, $700, 15 year, 8 per cent, T. W. Brown, Saskatoon. Last Chance, $1,200, 15 years, 8 per cent, C. C. Cross & Co., Regina. Allan East, $600, 15 years, 8 per cent, C. C. Cross & Co., Regina. Lintlaw, $14,500, 15 years, 8 per cent, F. Somerville, Regina.

Cities.—Saskatoon, $20,000, 30 years, 5½ per cent, Wood, Gundy & Co., Toronto.

Villages.—North Regina, $3,252, 10 years, 8 per cent, various, North Regina. Leslie, $1,000, 10 years, 8 per cent, North American Lumber and Supply Co., Winnipeg, Man.

Vermilion In Line With Big Cut In Assessment

From Our Own Correspondent

EDMONTON.—The example of this city in reducing its land assessment is being followed by some of the Alberta towns, Vermilion being the first in line with a reduction program of over $140,000 for the present year. With this reduction Vermilion's total assessment will be $626,758, but it is expected that further cuts will be made each year until the land is assessed at about its normal value. In the present case reductions have ranged from fifteen per cent. in the business section of the town to fifty per cent in the outlying area.

ABANDON SINGLE TAX IN RED DEER

Alberta City Now Taxes Improvements—Debenture Debt is Reduced

Red Deer, Alberta, has definitely abandoned the single tax after trying it out to the limit. For this year the assessment on land has been reduced about 50% and improvements have been assessed at 50% of value. This change will transfer the bulk of taxes from land where they are uncollected to improved lands where they can be collected.

No debentures were issued during 1921 it is pointed out by A. I. Stephenson, secretary treasurer of the City in a letter to THE FINANCIAL POST. The debenture debt has been reduced by $88,543 since 1914 and it will soon be down to a reasonable per capita basis. At present the debt is $281,279 with a net debt of $84,815 Mr. Stephenson says:

"General conditions around Red Deer are fairly good in comparison with other parts of Canada. The farmers in this district harvested a good average crop last year, though the price was low but the mixed farming, dairying, hogs, hens, etc., carried them through and a good crop next year and fair prices will bring conditions back to normal rapidly.

"This central Alberta district is today, and will be in the future, the most prosperous part of Alberta.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place	Sold to	Rate	Term	Amount	Price	Basis
Feb. 27	Hamilton, Ont.	Gairdner, Clarke & Co., Canada Bond Corp. and Dyment, Anderson & Co.	5 & 6	20 in.	$1,040,000	101.53	5.63
Feb. 25	Sarnia, Ont.	Municipal Bankers Corp.	6½%	20 in	50,000	106.56	....
Feb. 25	Sarnia, Ont.	Municipal Bankers' Corp.	6%	15 in	31,000	102.09	....
Feb. 25	Brantford, Ont.	Locally	6%	10 in	110,000	......	....
Feb. 18	Hespeler, Ont.	R. C. Matthews & Co................			18,000	......	....
Feb. 18	St. Lambert, Que.	Versailles, Vidricaire & Boulais	6%	10 yrs	500,000	96.75	6.44
Feb. 18	Point Grey, B.C.	Canadian Financiers Trust	5½%	20 yrs	100,000	93.47	6.02
Feb. 25	Dryden, Ont.	Greenshields Ltd.	6%	15 yrs	12,500	85.125	6.77
Feb. 18	Calgary	McLeod, Weir & Co., and A. Jarvis Co.	6%	29 in	240,334	102.38	5.71
Feb. 28	Windsor	Wood, Gundy & Co.	6%	20 in	400,000	102.38	5.71
Feb. 28	Windsor	Wood, Gundy & Co.	6%	10&20 in.	366,230	100.29	....
		CORPORATION					
Feb. 25	Dominion Textile	United Financial Corp.	6%	30 yrs.	1,000,000		

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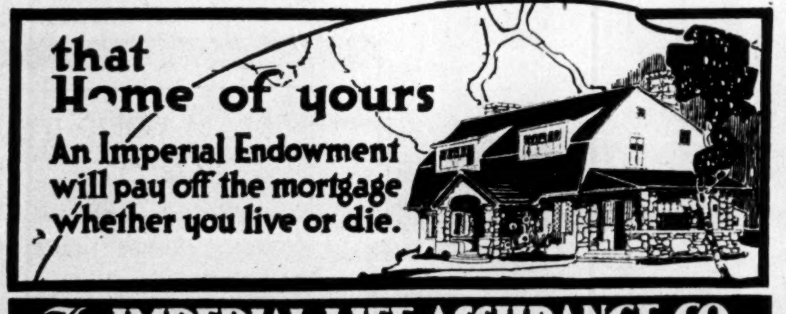
QUARTERLY DIVIDEND
Notice is hereby given that a dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
SATURDAY, THE FIRST DAY OF APRIL
next, to Shareholders of record at the close of business on the fifteenth day of March.
By order of the Board.
GEORGE H. SMITH, Assistant General Manager.
Toronto, February 22nd, 1922.



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INSURANCE AND REAL ESTATE

FIRE COMPANIES' BAD EXPERIENCE DURING YEAR 1921

Majority Will Report Very Heavy Losses, Some Making Nothing

From Our Own Correspondent

MONTREAL.—The financial statements of fire insurance companies that did business in Canada during 1921 will be available from time to time during the next few weeks, and will show, it is learned, a rather "spotty" record. A few will show fairly good profits but the majority have experienced a rather bad year in the relation of losses to premium income. Some companies will show over 100 per cent. of income paid out in meeting claims. Thus the year 1921 will fall far short of 1920 as a satisfactory period for the fire insurance companies.

The past year saw the companies face to face with the unfavorable elements that always come to the fore during periods of business depression. There is the obvious factor in an increase of fires of incendiary origin. A large number of instances of this occurred last year. That is, the companies feel morally certain that many fires were deliberately set, in most cases to relieve the owner of merchandise of inevitable losses due to the slump in prices of goods. At times like this there would appear to be a sort of spontaneous combustion about many of the fires. Often this cannot be proved and the company is forced to meet the full loss while in some cases payment goes by default. In one week in this city there broke out a regular epidemic of fires of a certain type where stocks of merchandise with depreciated values were involved. One case that may develop a conspiracy to defraud the insurance companies is now being investigated.

Where Factory is Shut Down

Of course all the increase over normal during period of depression is not due to incendiarism. A number of fires took place in a factory or warehouse which had been shut down. When a business is either not being operated or if going is not giving a profitable return it is only natural for those in charge to ease up in fire protective methods. Waste cloth, for instance may be left for months under or beside a machine and break out into flames, whereas had the factory been operated there would have been no chance of this accident. The use of watchmen on buildings that are shut down through lack of a market for production is often dispensed with under such conditions and in many other ways the fire risk is increased through a depression in business.

There has been one other source of decreased profits, which will apply, like the other reasons referred to, to the year 1922 as well as 1921 and that is the lessened premium income resulting from the decrease in volume of merchandise carried in stock, or a decrease in the valuation and therefore in the amount of the fire policy through the slump in prices of the goods. One large company reports a cutting down in its premiums from 12 to 15 per cent. from this cause alone.

Burned Their Coats

Some rather amusing stories are told of the extent to which some of the assured go in "hard times" to secure a little cash from the companies. One company had several men come with claims for the burning of their coats, mostly said to be from pipes being left in the pockets. It so happened that some of these claims coincided with sweeping reduction sales in the retail stores, and the inference was that the insurance money was to purchase a new coat and have a surplus in addition.

In the main the companies are forced to "grin and bear it," proof of incendiary acts being very difficult to obtain.

ACCIDENTS AND EFFICIENCY

Safety Associations Should Make More Effective Appeal

If each manufacturer realized the loss of efficiency that resulted from accident, safety associations would find it difficult to accommodate the numbers who would want to join. In addition to the pecuniary side, trained workmen would be saved from themselves, especially if they were represented on the inquiry committees. The appeals of safety associations, which were on the educational side had had an enormous effect in reducing the number of street accidents in London, Eng. If they could only make their appeals generally effective, they would have the cordial co-operation and help of every trade union in the kingdom. He had found that when there was an increasing number of accidents, manufacturers become more energetic in their prevention, and a reduction automatically followed; but the moment that that vigilance was relaxed the number increased again.

NORTHWESTERN LIFE COMPANY

Total Business in Force Practically Doubled During Year

The annual report of the Northwestern Life Assurance Company of Winnipeg, shows continued growth. Founded in 1916, it had $104,000 business in force while at the end of 1921 the total insurance in force had grown to $7,004,764. The surplus of the company was increased by over $100,000 during the year. This company has been building up its surplus so far, in lieu of paying dividends. Operations extend over the Western Provinces and plans are being developed to enter the other parts of Canada, as well as Newfoundland, Australia and New Zealand within the next year or so. The following table indicates the rapid expansion of this company.

Year	Total Business in force
1916	$ 104,000
1917	535,350
1918	1,212,300
1919	1,874,994
1920	3,179,968
1921	7,004,764

PUBLIC ISSUE FOR APARTMENT HOTEL

Million Dollar Residential Structure Being Planned For Winnipeg

From Our Own Correspondent

WINNIPEG.—Important among contemplated building is the $1,000,000 apartment-hotel which the Notre Dame Investment Company announces will be erected "somewhere on Broadway." A single item approximately $1,000,000 compares with $200,000 the largest individual item in Winnipeg's $6,000,000 construction of 1921. This latter was the addition to the Olympia Hotel.

The announcement of Brigadier-General Paterson, president of the Notre Dame Investment Company which proposes to sponsor the million dollar apartment-hotel structure indicates that this contemplated residential block will be developed along the lines of the most up-to-date hotel of New York, in an effort completely to relieve Winnipeg's housing shortage. General Paterson states that this structure will be a community enterprise, the financing of the building to be done through the issuance to the public of $25 shares. There will be no mortgage bonds or preferred stock. "Starting this spring it will be impossible to complete the block before the fall of 1923, working continuously," says General Paterson. "We intend to work on the building through next winter which will necessitate the employment of many skilled mechanics."

MOUNT ROYAL REPORT HEAVIER FIRE LOSSES

General Experience of 1921—Premium Revenue Thus Decreased—Surplus Increased

From Our Own Correspondent

MONTREAL.—The operations of the Mount Royal Assurance Company for the year 1921 reflect the unfavorable factors in heavier losses that have been the experience of most companies. The premium revenue, after deducting re-insurance, amounted to $706,573 as compared with $741,679 one year ago, a reduction of $35,106. This reduction, the report states, "is due to general depreciation and business stagnation." The interest revenue from the investments of the Company amounted to $80,133, making the total net income for the year $786,707, compared with $826,512. The losses paid were $411,971, compared with $343,356 in 1920, an increase of nearly $70,000. This shows a loss ratio of 58.34 per cent. as against one of 46.29 per cent. on the premium income for the previous year.

The net earnings of the Company amounted to $87,016, compared with $219,013 in 1920. Of this $18,336 was transferred to reserve fund, and $68,680 carried to profit and loss account. The reserve fund computed in accordance with the requirements of the Department of Insurance now amounts to $469,515, and the amount to the credit of profit and loss account was $691,680, compared with $648,000 one year ago, a gain of over $43,000. During the year a dividend of ten per cent. was paid as usual out of the interest from investments. It is interesting to note that since 1903 the Company received $685,630 as interest from investments, and out of this there has been paid in dividends to the stockholders the sum of $551,185, leaving the sum of $134. 444 to be added to the surplus. The funds for the protection of the Company's policy holders were increased during the year from $1,349,179 to $1,411,195.

London cable says sheet iron prices show an all-round decline. Scottish dropping £1 a ton, West Coast 10s., and Midland £1. Belgium offers India sectional steel considerably below British quotations.

CANADIAN LIFE COMPANIES BUILD UP SURPLUSES

Review of Insurance Companies Shows Increase in Business in Force

Considering the annual reports of the Canadian life insurance companies for the past year, one cannot help but note some significant features, not the least of which is the large addition to the surpluses made during the year. Nearly all insurance companies were able to build up their surplus, in spite of the fact that new business fell off to a marked degree.

The period from 1918 to 1920 was one of very heavy underwriting for all companies; because of many obvious factors the expense ratio was considerably increased. Last year less business was written, but the expense ratio was reduced in most companies and moreover many companies were getting the first real benefit from the substantial business written in those years. Insurance companies usually do not make any profit until after the third premium is paid and, decreased underwriting, with lessened expenses, together with increased interest yields, account for the large surpluses made during the year.

More detailed examination of the annual returns of last year show that the new business written, fell off approximately 10 per cent. on the average. In every case the gains in force were lower than the previous gain, from 2 to 69 per cent. The terminations of policies were perhaps the truest indication of the times through which we are passing. One company's terminations were as much as 71 per cent. greater than in the previous year. Policy-holders' loans increased very materially, beginning towards the end of 1920 and it is a recognized fact that the policy loan is the first step towards lapsation.

The increases and decreases in various items in the balance sheets of ten Canadian life companies that have already issued their reports, are given in the table below:

Company	Issued	In Force	Years' Gain	Terminations
Northern	+10%	+19%	— 2%	+25%
Imperial	—23%	+11%	—46%	+49%
Canada	+12%	+16%	— 2%	+45%
National	+ 4%	+12%	— 8%	+20%
Mfgrs	—16%	+12%	—45%	+71%
London	— 2%	+14%	—33%	+52%
Continental	—17%	+ 6%	—58%	+26%
Excelsior	— 3%	+13%	—21%	+26%
N. American	—16%	+ 6%	—57%	+50%
Confeder'n	—21%	+ 7%	—58%	+58%
Crown	+ 7%	+15%	— 8%	+35%
Gt. West	—10%	+12%	—31%	+47%
Monarch	— 9%	+14%	—35%	+42%
Sun	—16%	+10%	—18%	—18%
Sovereign	—10%	+ 5%	—69%	+57%

HIGH WAGES RETARD BUILDING ACTIVITY

Wholesale Price Index Receded 6.1 Per Cent. During January—Money Market Easier

The amount of new work in view that was reported in Canada, during February, amounted to $27,011,200, compared with January's total of $22,391,600, according to the figures compiled by MacLean's building reports. There are altogether 886 projects underway in Canada, which are valued at $10,718,300. This figure shows an advance of $1,315,700 over the January total.

The largest part of this work is of course residence building, while public works come second. Industrial building is naturally awaiting the return of more settled conditions in manufacturing. Unfavorable weather held back a large part of the construction work which is 51.9 per cent. below the peak prices of May 1920. The easier condition of the money market is a very welcome factor. In fact the greatest obstacle at the moment to the resumption of heavy scale building is the reluctance of labor to accept a lower wage commeasurate with lower cost of living.

BANKERS' ALMANAC FOR 1921-22

The Bankers' Almanac and Year Book for 1921-22, has just been published by Thomas Skinner and Company, of London, England. Copies may be obtained at 280 Broadway, New York City, or at 35 St. Nicholas Street, Montreal and is priced at $12.

This volume is a comprehensive survey of the principal banks engaged in International trade. It is a senior banking directory, having been founded 77 years ago. Particulars of upwards of 3,000 institutions are given in this edition, together with a mass of general information. The volume of this book despite the fact of further additions, has been reduced, due to a better grade of paper being used.

Vere Brown, widely known in Canadian banking circles, has been elected vice-president and general manager of the Industrial Finance Corporation of New York. Mr. Brown was formerly vice-president of the National City Bank. The Industrial Finance Corporation, which is the parent organization of the Morris plan banks, plans to provide savings and credit facilities to wage-earners. New banks will be added to the ones already in operation, which now total over a hundred throughout the United States. The company was organized in 1914.

Canada is the fourth largest manufacturer of rubber goods in the world, importing in 1920 over 10,400 tons of crude rubber, which France, which stands third, imported 14,000 tons. United States led with rubber imports of 248,800 tons and Great Britain stood second with 57,000 tons. In the ten years from 1910 to 1920, the value of Canadian manufactured rubber products increased from $5,000,000 to $56,000,000.

The Western Empire Life Assurance Company
Head Office: 701 Somerset Bldg., Winnipeg, Man
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Branch Offices:
Saskatoon Calgary Vancouver
WILLIAM SMITH, Managing Director

British America Assurance Co.
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HEAD OFFICE - TORONTO
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Assets over - - - $4,400,000.00
Losses Paid Since Organization, over - $50,000,000.00

Western Assurance Company
Fire, Marine, Automobile, Hail, Explosion, Riots, Civil Commotions and Strikes Insurance
Incorporated 1851
HEAD OFFICE. TORONTO, ONT.
Assets over - - - $7,900,000.00
Losses paid since Organization - - $81,300,000,000
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Daily Capacity—Flour, 10,000 barrels Rolled Oats, 1,000 barrels

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Heat Only the Motor with the
MAYALL MOTOR HEATER
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CANADA SHOULD CHOOSE SETTLERS NOW FOR FUTURE

Long View of Absorption Before the Short View of a Boom

GIVE FINANCIAL AID

Rural Life Must be Reconstructed to Cooperate With the Newcomer and Give Every Assistance

Before encouraging a general immigration from Europe, Canada should study carefully the effect produced by the war in the health and economic capacity of the peoples, from which desirable immigrants were formally obtained, is the opinion of Professor C. R. Fay of Toronto University; she should strenuously put the long view of their absorption into the life of the country before the short view of a boom in immigration traffic and land values. Her position, machinery and main financial aids should be directed towards the establishment and retention of her own people on the land and this machinery should be extended to settlers from the old country, provided that the old country met her half way.

In an address at Convocation Hall on "Principles of a sound Immigration Policy," he divided his argument into two main divisions, first, industrial, and second, agricultural. Under the first he quoted the findings of the Ontario Unemployment Committee that, "The welfare of Canada requires that skilled and unskilled labor be protected against undue and untimely invasion of workers from abroad." He pointed out the restrictions in the Act of 1921, designed to give effect to this. For dealing with skilled labor from the old country when such was not obtainable in Canada an excellent arrangement, for notification and filling the vacancies, had been devised between the Employment service at Ottawa and the British Ministry of Labor.

Under the second part he considered the problem first of all, from the standpoint of the Old Country. Good agricultural laborers could be obtained from a wider class than that of the farmers and farm laborers, if given the necessary training. This was the experience of other self-governing countries, notably Australia. From the standpoint of Canada he based his argument on the success of the Soldiers' Settlement Board and urged that this machinery should be combined permanently for the direction of land settlement as a whole.

Right Land and Right Crops

Modern conditions of successful settlement required:

1. Land with reasonable marketing facilities.
2. The right kind of land for the settler and the right kind of crops for the land.
3. Sufficient capital; some settlers might be able to provide the whole for themselves, but assistance in the shape of loans would probably be required in the most cases. The first essential to holding good settlers on the land was a right policy of land settlements.

The second was the reconstruction of rural life around various forms of co-operative enterprise. Co-operation means better business, better farming and a better country life. The results of co-operation in Denmark, and again the land settlement scheme in California which was going some way to solve the labor problems there, were quoted as examples.

Professor Fay pointed out the bearing of Canada's railway problem on successful land settlement and said in this connection, "The Canadian National Railways at present showed a deficit which had to be met by taxation; this deficit could be reduced by the increased traffic which would come from land settlement. It would be wrong to bring any kind of immigrant, regardless of quality, merely because he professed a willingness to be dumped, in the first instance, on the land. That would be rectifying a mistake by committing a second. But the railway problem "is an argument for directing to the land permanent settlers who will increase the gross produce of the country by the extra crops they grow for the market and the extra goods they consume."

MEDICO-DENTAL BUILDING

Unique Professional Structure Being Erected in Toronto

The majority of the members of the medical profession have their offices in a comparatively small area in our large cities. This gives them ready access to each other for consultations and laboratory work. It is with this end in view that a six storey concrete building is to be constructed in Toronto, which will be devoted exclusively to the use of doctors and dentists. The advantages offered by this building are, permanency of quarters, twenty-four hour telephone and elevator service and free boiling water and compressed air. Another feature is a doctors' clubroom and a garage in connection with the building. Over half of the available space has been taken up on leases and options.

VAUCLAIN 'BARTERS' ENGINES ABROAD

Sells Locomotives to Poland For Lumber "In Stump"—Frank With Germans

The Baldwin Locomotive Company again has entered the field of barter, giving its product for the resources of a foreign country instead of selling on a cash basis.

Samuel Vauclain, who is a member of the Joint Delaware Bridge Commission, tells of the latest plan he had made while in Europe.

"I arranged with the minister to buy Baldwin locomotives, and in exchange give lumber still standing. Then I later made arrangements with the French to take over the lumber," Mr. Vauclain said.

"I had a curious experience while lunching with the directors of the Krupp factory. They remarked that if America had not supplied munitions to the Allies, the war would have been quickly finished. I took no notice, and the remark was repeated, and I was asked point blank about it. Then I carefully enumerated all the different materials that Baldwin's had sent. As I spoke chairs were pushed back and knives laid down. It looked as though I would be thrown out. However, I continued, and when I had finished my enumeration did not stop talking, but started about a commercial proposition. The chairs were pulled back again and eating resumed."

OIL DRILLING NEEDS GREAT ENTERPRISE

Wildcatting in Canada an Indication of Lengths to Which Quest Will Go

By WM. C. CORNWELL
In The Bache Review

The undismayed optimism of man, harnessed up with unconquerable energy, is displayed more completely perhaps in the oil business than in any other. To what limits the quest for oil will go is illustrated in the story of wildcatting in Canada. Of this the Northwestern Review says:

"The imagination is fired by the new possibilities of development in oil in western Canada, and this in spite of the fact that the season of 1921 was disappointingly indecisive in its results. Hitherto petroleum production has been confined to an insignificant output in Southwestern Ontario, something less than 200,000 barrels annually; but favorable indications have been found in Alberta, British Columbia, and in the Provisional District of Mackenzie. Up to the present, so far as is known, only one producing well has been brought in, this being in 1920, by the Imperial Oil Company, 45 miles below Norman on the Mackenzie River. This is just below the Arctic Circle, about 300 miles from the Arctic Ocean, and east of northern Alaska. It is 1,400 miles north of Edmonton, which is the farthest north of all the important Canadian cities. To reach this new oil district requires a journey during the summertime of from six weeks to two months from Edmonton. There are no telegraph or wireless stations, and mails are very infrequent, transportation being by water during the summer and by very infrequent dog trains in winter. The summers are short, but are said to be warm and pleasant, with three months' perpetual daylight, which causes an exceedingly rapid growth of all vegetation. The thermometer ranges from 85 degrees Fahrenheit in summer to 50 degrees below zero in winter.

"In this place, at the very upper rim of the continent, lies one of the hopes of Canada for a domestic source of oil."

The Pioneers

Into this frozen North country the oil prospectors enter when the three months' summer sun rises. Last season 500 of these men staked their claims along the Mackenzie River in the vicinity of Discovery Well. Government regulations make indiscriminate adventuring difficult, which this Northwestern Review says is wise when the rigors of the district are considered. Two outfits were drilling in 1921 and preparations were made for drilling of new wells during the coming season. "Nothing is known of what is happening in the Fort Norman field for the last three months, and will not be known until the next mail arrives." The striking of oil in the well 35 miles below Norman, in 1920, is considered a matter of great encouragement. The oil was found in rocks of Devonian age. Devonian sediments are of very wide extent in the Mackenzie River Basin, and may have great possibilities.

So, by persistent drilling, toil, and through many hardships, new oil territories are slowly opened up and the world's supply repleted. Otherwise, it would gradually fall away and become exhausted.

WINDSOR HOTEL DIVIDEND

With the greater portion of Windsor Hotel Company stock in the hands of the new purchasers an announcement of the passing of the divedend for the quarter ended January 31 caused little interest or concern on the Street. It will be remembered that the greater part of this stock was purchased recently by Donat Raymond interests at $125 a share. It is stated that extensive changes will be made in the Windsor Hotel, one of these contemplating a block of stores along the whole length of Windsor Street, thus appreciably increasing the revenue of the property.

Corporate Trusts

It is a common occurrence to have stock offered for transfer not in conformity with law or unaccompanied by proper authority. This frequently occurs in the case of stock belonging to estates of deceased persons. Our knowledge of the fundamental principles of transfer prevents errors that might be costly.

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Long Distance a Saving

Not an Expense

"What is this charge for $21.60 for Long Distance telephoning in your expense account?" said the Sales Manager of the Blank Manufacturing Company to one of their wide-awake salesmen, "Pretty steep, isn't it?"

"Depends on how you look at it. I thought you might raise some question, so I figured out how much actual saving for the firm that Long Distance telephoning represented:—4 days salary, $40.83, Railroad fares $18.70, Hotel $15.00, a total of $74.53. Deducting the $21.60 you have an actual cash saving to the firm of $52.93—to say nothing of the extra sales I made in the time saved."

More and more sales and accounting officials are beginning to realize that instead of being an extra expense, Long Distance actually saves money and valuable time when intelligently used.

"Use the 'Bell to Sell"—or to buy. Most good salesmen realize that Station-to-Station calls often answer just as well as the more expensive Person-to-Person messages.

Every Bell Telephone is a Long Distance Station

If you only knew—

The type of man who protects his home—

that your good health would continue, even for one day—

that twenty years from now you would be alive and well off—

that your present income would remain secure and always available for you or your family—

You might then plan your affairs accordingly. But to know these things is impossible.

Will, as the years pass by—

The Only Way

You can, however, anticipate the years, *capitalise* your present health and earning power, and thus make certain of twenty years' progress *now*, by securing in good time our

Home Protection Policy
for $5,000

This plan is the basis of all life insurance.

It provides an "Estate" at the lowest net outlav it is possible to obtain.

Experience has proven that it offers maximum insurance at minimum cost.

Find increasing prosperity—

The annual outlay is comparatively small, being only a moderate rate per cent on the capital "estate" created, according to age. The average is about 3%.

Even these small payments are reduced by dividends.

Many policyholders in the Canada Life have lived to draw large sums from this form of policy for their own personal use.

Cash values are guaranteed—a fund for emergencies.

A monthly income of $50 is paid if you become totally and permanently disabled before reaching age sixty.

Policy continues in force while any cash value remains, thus preventing lapse and loss of protection.

If it is desired to stop paying premiums any time after the third year, a "paid for" policy is issued for a proportionate amount, on which no further premiums are required.

And in due time reap the rewards of success.

Remember:

A policy on your life may do much that you intend to do, if you live. It may pay off the mortgage, supply food and clothing for your family, keep the children at school and prevent a forced sale of your other property.

It may be all that is left of your life work—to keep you in comfort in your old age.

Ask For Particulars

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Assurance Company
Home Office
TORONTO

FILL UP — CUT OFF — MAIL TODAY
Canada Life Assurance Company,
Dear Sirs,—Without obligation on my part, please send me particulars of your Home Protection Policy.
Name
Address
Day of 19
"12"

REVIVED BUYING CANADIAN WHEAT IN UNITED STATES

Visible American Supply Has Been Decreasing Recently

EUROPE IS BUYING

Result is That Position on This Side is Improved—However, Big Rise Not to be Expected

From Our Own Correspondent

NEW YORK.—Preparations are being made by local grain importers and exporters for a marked revival of the Canadian-American grain trade during the next few weeks, your correspondent is told by a number of Canadian bankers, who are usually in close touch with the grain markets. Notwithstanding the Emergency Tariff, an extensive movement of Canadian wheat into the American market is already under way and in spite of the tariff it will, if the judgment of some of the best informed grain men in New York is to be trusted, continue and grow. The marked recovery of the foreign exchange market coupled with the strength of the grain markets, has produced a recovery in the grain export market and the European buyers are exhibiting more interest than they have for months past. The visible supply in the United States has been decreasing with more or less steadiness for some weeks, a fact which has made it necessary and profitable for the American grain exporters to bring in Canadian wheat to balance the decrease. It is expected here that before July the American surplus will have shrunk further in the face of an increased demand from abroad and that American exporters and milling interests will be as a result compelled to depend to an increasing extent upon the Canadian exportable surplus.

This movement of Canadian grain southward will not only reduce materially, it is expected, the Canadian surplus carried over from last fall, but will tend to support the Canadian exchange market in New York. The expected grain bills will do much toward keeping the discount on the Canadian dollar in New York, down near the levels it has maintained during the past two weeks. Already grain mills have become a factor in the local Canadian exchange market, Canadian exchange operators tell me. As a favorable market factor, from the Canadian point of view, it is expected that they will become increasingly potent as the month of March advances.

Speculative Influences

Incidentally however, it must be pointed out that while higher prices for wheat are looked for between the first of March and the first of July, in view of the world wheat situation, price reactions are to be expected later on. Speculative interests, it is believed, will, on the basis of the present statistical position of the wheat market overdo their boosting tactics. The result may be a marked drop in prices when the new American and Canadian crops come into the markets. The present shortage of wheat is more apparent than real. The most carefully compiled statistics indicate that there is no real shortage. They indicate on the contrary that there will be enough wheat to go around. According to local authorities, the situation seems to be that the extraordinary rapid marketing by farmers in the fall, attended by abnormally great exports produced low prices and a tendency on the part of foreign buyers to withdraw from the market on any advances. This situation was bound to be followed by a period of higher prices as the statistical position of the market became stronger. But in the long run it is not expected that the average price of the total sales of the year can be very high in view of the fairly large world crop.

BRAZILIAN TRACTION.

The December earnings of the Brazilian Traction, Light and Power Company, shows gross amounting to 15,405,000 milreis as compared with 12,600,000 for the same month in 1920, an increase of 2,805,000. Operating expenses showed a decrease of 866,000, while net earnings amounting to 9,354,000 were higher by 3,671,000. The aggregate gross for the twelve months at 170,867,000 showed an increase of 35,961,000, and the aggregate net amounting to 95,105,000 showed an increase of 25,114,000.

The following figures show the gross, net and net increase for the twelve months:

	Gross (Milreis)	Net (milreis)	Net increase (milreis)
Jan., 1921	12,875,000	6,217,000	1,107,000
Feb.	11,941,000	5,679,000	695,000
March	13,102,000	6,522,000	1,148,000
April	13,562,000	6,743,000	1,148,000
May	14,462,000	7,862,000	1,148,000
June	14,257,000	7,803,000	2,007,000
July	15,477,000	8,871,000	2,753,000
Aug.	15,744,000	9,439,000	3,287,000
Sept.	14,471,000	8,634,000	2,417,000
Oct.	15,016,000	9,161,000	2,221,000
Nov.	14,555,000	8,820,000	2,996,000
Dec.	15,465,000	9,354,000	3,671,000

Robert Dollar says unless laws on statute books, as La Follette seamen's act repealed or modified, vessels now under American flag must be transferred to foreign ministry. Changed attitude of congress and people gives him hope operation of American ships may become profitable.

DOMINION BUILDS EXCHANGE CREDITS

NEW YORK.—Confirmation of the report published in THE FINANCIAL POST that the Dominion Government planned to float a $25,000,000 railway loan in this country is believed to be offered by the fact that local banking interests usually regarded here as the Dominion Government's fiscal agents in this country have been steadily building up credits in the Canadian exchange market for over a month past.

B. E. STEEL AFTER EASTERN COAL AREAS

Feeling in Maritimes That Competition Would be Better for Development

From Our Own Correspondent

HALIFAX.—The British Empire Steel Corporation has had engineers examining the coal mines in Inverness, Cape Breton owned by the Inverness Railway Company which was formerly controlled by the MacKenzie and Mann interests. An English syndicate, headed by the president of a big shipping company, trading to Canada, is said to be anxious to secure control of the Inverness coal areas, partly to command an independent supply of bunker coal.

Apparently it is the intention of the British Empire Steel Corporation to acquire if possible control of all the Nova Scotia coal fields, and as there is a suspicion that its policy is not dictated by the immediate intention to open new mines, its manoeuvres are not viewed with much satisfaction. The feeling among business men is that there is already too little competition in coal mining in eastern Canada.

CANADA FORGINGS

Dividends and Fixed Charges Created Deficit for Year

At the meeting of shareholders of Canada Foundries & Forgings Limited, the auditor's report was presented, which showed an operating loss for the year of $3,704 after providing for depreciation. Taking into account, however, interest on bonds, bank interest on loans, administration expenses, and allowing interest for dividends on investment, amounting to some $12,000, the total loss for the year was $58,211.

Liabilities have been reduced practically about $500,000, and a reserve of $200,000, was taken from the surplus to provide against inventory shrinkage, leaving a balance carried forward to profit and loss account of some $930,000 odd.

The board of last year was re-elected, with one exception, Hon. W. J. Shaughnessy having retired, and H. B. Housser of Toronto, was elected in his place.

United States Steel Corporation's subsidiaries are now operating at an average rate of 60 per cent., compared with 40 per cent. at the close of 1921 and the low of 18 per cent. in July last.

FOUR PAYMENTS OF INCOME TAX ARRANGED AGAIN

Starting on April 30 and Ending on Oct. 31

MINING DIVIDENDS

Gold and Silver Exempt 50 Per Cent.—Expect Larger Number—Heavy Costs for Delinquents

From Our Own Correspondent

MONTREAL.—Preparations are well under way for the collection of the income tax for the year 1921. The conditions for the payment of this tax will be similar to those of last year. The whole tax or 25 per cent. of it as a first instalment, is to be paid by April 30; thereafter the balance is payable in three equal instalments by June 30, August 31 and October 31. If the whole tax is not paid by the end of April there will be an interest charge at the rate of 6 per cent. per year on each instalment. If the second portion is not paid in time an additional interest charge of 4 per cent. will be levied, making the charge 10 per cent. from June 30. This 10 per cent. charge covers all balances not paid when due. If taxes are not met by October 31 there will be the 10 per cent. charge on the total balance due from October 31 as well as on those portions in arrears previous to that date.

The local Taxing Department is looking for an increase in the returns made this year in spite of the fact that large numbers of salaries and wages have been cut down. Leaving the question of lower wages in the re-adjustment period out of account it is expected that normally the number paying income taxes in Canada will steadily increase. The total amount paid on the other hand may be affected considerably by the cutting down in incomes.

The figures for last year showed a surprising percentage of taxes paid in full in one instalment by April 30, the number exceeding 60 per cent. of the total. Those who are planning to make their payment in one sum need have no misgivings lest any mistake on their part in overpaying the Government will mean a loss to them. In hundreds of cases this past year refunds amounting to considerable sums have been made to those who made a mistake either in actual figuring or in their interpretation of the Act.

Exemption for Gold Stock Dividends

One interesting mistake, for instance, was made in the case of Hollinger Gold Mines where a shareholder paid taxes on the full amount of the dividend he had received. The department has made a ruling that in the case of gold and silver mines 50 per cent. of the dividend deducted before the taxes are charged, on the theory that to some extent the production of these mines and the resulting earnings and dividends represent a depletion of the mine and therefore come to some extent out of capital. An allowance of 25 per cent. is made on dividends from copper and asbestos mines, while no allowance is made for coal mines on the assumption that their deposits, as a rule, are practically inexhaustible. In the case of oil companies each one is considered by itself. With some industrial companies a special provision allowed dividends exempt from taxation provided they were paid from earnings prior to the end of 1917. All the individual tax records are scrutinized carefully and where the tax payer has paid more than should be paid under the circumstances a refund is made.

A point that should be noted this year is that all those who sent in returns last year would be well advised to do this again for 1921, because if they do not, on the ground that their income does not now come within the limit, they will be sure to receive orders from the department to submit returns. This will be done in the case of everyone who sent in a return for 1920 but has neglected to do so for 1921. When an order to send in a return is made and disobeyed a penalty attaches to it.

A large number of actions have been entered in the Exchequer Court to collect balances due for 1918-1919 and in some cases for 1920 taxes. If taxes remain unpaid and the Department is forced to go to Court the matter becomes a rather expensive one particularly for the small tax payer, that is relative to his tax. Where a writ is issued in the Exchequer Court the cost of the writ is $14 in each case. If this is allowed to go to judgment there are further costs of $14 each, while if execution is taken there are heavy fees for bailiff and other charges.

Reorganize First—Then Finance

Continued from page 1

given as $1,000,000. Also it is now claimed that all profits from operating the vessel went to Canada Steamships.

However, there is no explanation of the circumstance of a group closely associated with the company disposing of a boat at a manifest profit, to the company. The amount involved is, after all a secondary consideration.

And there are other charges of intermediate dealing which must also be met. We have been informed, for instance, that in 1917 the "Seguin" was sold to W. E. Burke, assistant general manager of Canada Steamships, for $65,000 on a blank bill of sale. Rumors that the figure paid by the company was much larger should be met.

We are informed also that the purchases of both the St. Lawrence and Chicago Navigation Company and the Montreal Transportation Company were effected through intermediate companies or syndicates and that large profits were made in these transactions by directors of Canada Steamships. Such charges should be met.

We are informed also that Steamships directors are interested in such concerns as Japp, Hatch & Co., brokers, G. U. Price & Co., insurance agents, and the Standard Shipping Company, booking agents, and it is said that such companies always get "theirs" whether there is a profit on the freight paid to the steamship company or not. Such rumors should also be met.

The Sir Trevor Dawson-Grant Morden trust has been generally condemned. There appears to be no real defense for it. There has been a suggestion that the members of this trust hold a majority of the common stock of the company and in a sense have the right to combine and "pool" their votes through two persons, even if the arrangement covers a period of years. Even this practice, under the conditions that apply to this case, would be objectionable, but this becomes absolutely indefensible when it is permitted to the members of this voting trust to dispose of practically all the stock they wish in the form of voting trust "certificates" which carry no voting power, while they themselves, through this cast iron agreement, continue to hold the company in their grip with a minority, or it may be even be a handful of votes. This is a gross infringement on the rights of the shareholders, and it is open to doubt whether this voting trust as constituted is even legal.

The Real Assets of the Company

At the beginning of this article the opinion was expressed that criticism of acts of groups or individuals connected with the company should not be construed as a depreciation of the company as a "going concern," nor of the securities as an investment. In last week's issue the statement was made that "we have strong faith in the future of Canada Steamship Lines as our great inland water transportation system." Perhaps a few points in exemplification of this will be in order. The company's regular business falls, naturally, into the two parts, passenger business and freight. From Port Arthur down to the Saguenay the company has a well co-ordinated passenger system, with a recent extension to St. John's, Newfoundland. Backing this up is a growing clientele throughout Canada and the United States, and a very tangible good-will, and its "pulling power" is strengthened through a friendly co-operation with numerous agencies. The ships and the routes have become popular to the traveling public. Profits from this source appear to be well assured, and as likely to hold up well almost indefinitely. For the run to the Upper Lakes and return there is a substantial fleet, carrying huge quantities each season of grain, ore and coal, and a well-organized operating staff. Under normal conditions this end of the company's business should always show good earnings. As we remarked before, "we have strong faith in the future of Canada Steamship Lines as soon as confidence is restored in the management and in the directors."

CANADA DOES NOT WANT MILLIONS OF EUROPEANS

(Continued from page 1.)

migration; the laborer who wanted an eight hour day and would rather not work that, was his idea of "quantity" immigration. And the sturdy peasants merely wanted an opportunity to come to Canada; they would not require assistance to come and they would pay their way after they got here.

With regard to British settlers Sir Clifford took the stand that here also it was farmers and not workers or shopkeepers from the industrial centres who were wanted in Canada. The situation was much the same as it was when he tackled the problem At that time it had been decided that bonuses would only be given the steamship companies for settlers from the North of England and Scotland. This was another policy with which the steamship companies had been displeased and it had been discontinued.

The American Settler

To get settlers from the United States where the agricultural states were fast filling up and the younger generations were seeking the open spaces, the practical suggestion was made that the authorities should deal with the big colonization companies which had been so successful in distributing population throughout the Western States.

In this connection he outlined a policy for the dominion government for it was a problem which only the government could solve. The efforts of the Western Canadian Colonization Association had been futile, as he had foreseen, because that body had not the necessary powers. Something must be done to prevent speculators making such profits when the settlers came in as to run up the price of land to a level which would discourage others. On principle he objected to government interference and he was opposed flatly to confiscatory legislation. But what should be done was to force land holders to put a fair price on their land for a period of some years. This price would be net to the holder and would be increased each year to the extent of taxes and other carrying charges but the booming of values would be checked . There was no other way of dealing with this question, in his opinion.

In connection with the bringing in of American settlers too there was the problem of providing the necessary farm labor to operate the tracts which they were in a position to acquire and which they could successfully operate. This involved the question of getting the right type of settlers from abroad.

In brief the policy outlined by Sir Clifford was to encourage settlers of the right type from the standpoint of practical farming operations. None others were wanted. To bring in ten millions in ten years without selection would leave a bigger problem than we now faced. To bring in half a million of the right type would mean an increase of population in ten years which would solve the railroad problem and the problem of the national debt "if you don't pile up another national debt". He argued that town workers and shopkeepers from Europe would create a serious social problem in our cities; it would be nothing short of a crime to ask these people to face the strenuous conditions of pioneer life on the prairie farms which to people of the right type offered an opportunity greater than they had ever hoped of.

He declared that settlers of the wrong type would never stay in Canada. They would move South to easier conditions. It was people of this type together with ambitious young people from the cities and towns and old folks seeking a warmer climate who constituted the heavy exodus to the United States which was estimated to have accounted for the alleged lots of 1,800,000 people in ten years—settlers from Europe who would not or could not make a living here passed on and we were better without them because if they stayed we would only have to feed them.

DOMINION COMBING MILLS

Directors are Appointed for New Company

Directors of the Dominion Combing Mills, have been appointed as follows: A. E. Rea, president; C. A. Davies, president, Davies Footwear Co.; W. J. Keens, President, W. J. Keens & Co.; Gen. Robert Rennie, president, Wm. Rennie Co.; and T. D. Currie, O. B. E. of the Dominion Development Corporation.

A Hysterical Beck

The Province is having another exhibition of hysteria from Sir Adam Beck, says the Port Hope Guide. The cause is the refusal of Premier Drury to give the Provincial endorsement to municipal bonds for the construction of Hydro radials. Sir Adam has heretofore launched has criticism of the alleged fallacies underlying the report of Justice Sutherland Royal Commission.

Sir Adam Beck has evidently become obsessed with the idea that he is the ruler of this Province instead of its servant. And this idea is becoming a greater fixture in his mind, the supineness or lack of courage so distinctly manifested by the Drury Government. The idea of a Provincial Cabinet allowing itself to be thus openly criticized and misrepresented by a public servant is the most preposterous position imaginable. It would be interesting to know just what particular divinity doth hedge about Sir Adam Beck which permits him with impunity to attack the government of which he is the appointee. And this is just where Mr. Drury and his colleagues are falling down, and showing a complete want of the responsibility and dignity of their position.

The Drury Government is either right or wrong in determining that the guarantee of the Province shall not be given to Beck's wildest radial railway propositions. He is clamoring that the Province shall pledge its credit to the extent of $250,000,000 in the construction of radial lines. The Sutherland Royal Commission has declared that the estimates furnished by the Beck engineers for these proposed lines are false and misleading, that no public purpose could be served by their construction, and **the most careful and unprejudiced investigation indicates that they would be financial failures.**

There is little doubt but that Beck's estimates for Hydro radial construction are as unreliable as his Hydro estimates. **The Chippewa proposition was to cost** $12,000,000. It has already cost nearly $80,000,000, and will cost $100,000,000 before it is completed. The unfinished Hydro plant near Fort William is being forced on the province after $8,000,000 have been expended thereon. Beck wants to expend $8,00,000 on the Toronto-Bowmanville radial, running parallel with the G. T. R., C. P. R. and with the C. N. R., a few miles further north, the last named being practically closed up. And yet he stupidly claims this Toronto-Bowmanville line will be a paying proposition. We know nothing much about the location of the other proposed radials, but we do know that this one could not but prove a bankrupt one from the start. The proposed $8,000,000 expenditure might as well be thrown in the lake as expended in this fool business.

CONSOLIDATED SMELTERS

The Consolidated Mining and Smelting Company reports ore receipts at Trail Smelter the third week of February amounting to 6,395 tons, while for the year to date the receipts total 61,889 tons.

FRONTENAC BREWERIES

The financial report of Frontenac Breweries for the year ended December 31 last, showed net profits before interest and reserves at $231,196, compared with $328,147 the previous year. After bond interest and other charges, there remained a balance of $136,610, and after depreciation, etc., a balance of $26,938.

Rhode Island mill owners refuse to submit to arbitration of questions involved in strike on grounds higher wage would compel them to close down.

LA ROSE PAYS 10 PER CENT.

Directors of the La Rose Mine at a meeting in Montreal this week decided to pay a dividend of 10 per cent. on April 20 to the stockholders on record of March 24. The payment of this divident will take $150,000 and as the profits of production amounted to only $126,089, the balance will have to be made up from the surplus. The annual statement showed the curent surplus at the end of December to be $555,910, which was made up of cash, supplies, are on hand, and at the smelters and investments.

The Sherwin-Williams Company Of Canada Limited

Notice is hereby given that the Forty-third quarterly dividend of One and Three-quarters per cent. (1¾%) being at the rate of Seven Per Cent. (7%) per annum, for quarter ending February 28th, 1922, upon the Preferred Stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1922, and that cheques will be mailed on the 31st of March next.

Books not closed.
By order of the Board.
J. H. GORDON,
Montreal, Secretary-Treasurer.
March 1st, 1922.

Established 1859
FIRE INSURANCE
Automobile Insurance
(All Classes)
A. H. Carson, President
F. D. Williams, Vice-President
A Canadian Company
Head Office:
LONDON MUTUAL BUILDING
33 Scott St., Toronto

TENDERS FOR DEBENTURES

Sealed tenders will be received by the undersigned up to 3 o'clock p.m., Wednesday, March 15th, 1922, for $45,000 six per cent. 20-year instalment plan, coupons for interest attached, debentures of Town of Penetanguishene, guaranteed by County of Simcoe.

Debentures dated 1st December, 1921.

Payable at Standard Bank, Penetanguishene.

W. H. HEWSON, Town Clerk,
Penetanguishene, Ont.

BELDING - CORTICELLI LIMITED

Dividend No. 29

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Dividend of 1¾%, payable on the 15th of March, to Shareholders of record at the close of business, the 1st day of March, 1922.

By order of the Board,
D. R. KENNEDY,
Secretary-Treasurer.

The Shawinigan Water and Power Company

NOTICE is hereby given that a dividend of one and three quarters per cent. (1¾%) has been declared on the Common Stock of this Company for the quarter ending March 31st, payable April 10th, to shareholders of record March 24th, 1922.

By order of the Board,
JAMES WILSON,
Secretary.
Montreal, February 21, 1922.

The Dominion Bank

NOTICE is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1922, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the first day of April, 1922, to shareholders of record of the 20th March, 1922.

By Order of the Board.
C. A. Bogert,
General Manager.
Toronto 17th February, 1922.

Dominion Iron & Steel Co. Limited

NOTICE OF PREFERRED STOCK

DIVIDEND NO. 49

A Quarterly Dividend of One and Three-quarters per cent. on the Preferred Stock of the Dominion Iron and Steel Company, Limited, has been declared, payable 1st April, 1922, to Shareholders of record on 15th March, 1922.

By order of the Board of Directors,
C. S. CAMERON,
Secretary.
Montreal, February 22nd, 1922.

The Wabasso Cotton Co. Limited.

Dividend No 17.

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending March 31st, 1922, payable April 3rd, 1922, to shareholders of record at the close of business on the 15th of March, 1922.

By order of the Board.
JAS. R. RITCHIE,
Secretary-Treasurer.
February 9th, 1922,
Montreal.

The Sherwin-Williams Company Of Canada Limited

Notice is hereby given that the Sixth Quarterly Dividend of One and One-half Per Cent. (1½%), for quarter ending February 28th, 1922, upon the Common Stock of the Company, has been declared, payable to Shareholders of record the fifteenth day of March, 1922, and that cheques for same will be duly mailed on the 31st of March next.

Books not closed.
By order of the Board.
J. H. GORDON,
Secretary-Treasurer.
Montreal
March 1st, 1922.